# The Morals of Trade

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THE

# MORALS OF TRADE.

## TWO LECTURES:

I. An Inquiry into the Actual Morality of Trade.

II. An Inquiry into the Causes of the Existing Demoralization and the Remedies therefor.

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"THE Broad Church party, like the High Church party, or still more like the Catholic Church, aspires to guide not a small selection out of the community, but the community itself. . . . Before this party, then, there evidently lies a task to which the older parties were not equal. No conservative prejudices, no theological despair, need hinder them from giving the people a Christian morality suited to the age. . . . By the teaching of morality I do not mean the teaching that we ought to be moral, but the teaching what is moral and what is not. . . . The moral censorship of the clergy can only be influential when it is founded upon a real study of human life. Their criticism must above all be particular. General declamations against immorality are easy, but of scarcely any use, especially when couched in oriental language. The special cause of immorality, against which preaching may be effective, is that indistinctness of conception which prevents people from seeing under what general head particular actions are to be classed. All agree to censure dishonesty, but people will differ on the dishonesty of particular actions; and what can be done by preaching is to prevent men from persuading themselves that many actions are not wrong. . . . For this purpose the preacher must especially inquire what are the criminal acts to which people are most tempted, what are the particular vices of particular classes of men or professions or trades. . . . When great public scandals arise—as lately, for example, in the commercial world—the censorship of the press is vigorous and useful; but where is the censorship of the pulpit? . . . Should the clergy leave them to be discovered by amateur moralists and preachers? Is it not their business to find them out and proclaim them?"—"The Church as a Teacher of Morality." Essays: Roman Imperialism, etc., J. R. Seeley, pp. 261, 262, 283.

# PREFATORY NOTE.

The first of these lectures was prepared for the course of sermons given under an association of clergymen in this city, in the winter of 1874–5, upon Social Morals. As repeated in other cities, suggestions towards improving the morality of trade were added, which grew into the second lecture. The two were preached before the congregation of the Anthon Memorial Church in the spring of 1876, and by them are printed as a slight contribution towards that bettering of our social life which will prove our real Centennial celebration.

The curious warning off from all meddling with trade customs experienced in the preparation of materials for these lectures is probably the surest warrant for their utterance, assuming, as it must do, either that these customs of trade are beyond the application of ethical principles or beyond correction by them. A Christian minister thinks too reverently of the supreme law to believe the one alternative, and the pastor of a city church thinks too highly of business men to accept the other. For such a criticism a preacher need feel no disqualification, inasmuch as the provinces of the critic and the doer are distinct. "To see

ourselves as others see us" is a *desideratum* of classes and vocations as well as of individuals. Provided the criticism be unprejudiced in spirit, and painstaking in its effort to reach facts, one who is outside of business may be the better able to see its evils, discern their causes, and suggest their remedies.

The scope of this criticism is necessarily limited by its lecture character, even when the body of the text is enlarged for printing and supplemented by foot-notes and appendices; but to the extent gone its statements are the result of careful inquiries, and its positions of serious thought.

R. H. N.

New York, October 1, 1876.

# I.

## AN INQUIRY INTO THE ACTUAL MORALITY OF TRADE.

## OUTLINE OF LECTURE I.

INTRODUCTION.—Importance of Trade Morality—Society Founded upon Trade, Developed and increasingly Determined by it—Its Morality therefore Fundamental—That Morality Customary—Needing Admeasurement by Ethical Standards.

I.—Present Inquiry such an Admeasurement by the Law—The Law Defines Two Varieties of Wrong: Falsehood and Dishonesty, Fraud—Contract-Keeping a Necessary Virtue, Well Developed—Especially by the Credit System—Less Essential Virtues not Correspondingly Developed, as shown by Inquiry into Actual Customs of Trade.

II.—Retail Provision Trade—Retail Trades Generally—Wholesale Trades—Manufactures—Importations.

III.—Evil Feature of these Customs their General Toleration—Decay of the Nobler than Legal Morality—Lack of Conscientiousness, Thoroughness, in Industry—Loss of the Sense of Honor in Traffic.

IV.—This Decline of Honor Strikingly Shown in the Prevalence and Character of Speculation.

V.—Trade thus Seen to be Gravely Diseased, but not Hopelessly Corrupt.

VI.—Conclusion—Responsibility of Business Men.

The title of the present lectures might almost have been given as "The Morals of Society," so fundamental is the relation of the sphere of business to all the other strata of the social order.

The *origines* of society are found in the necessity of association for the protection of property and for the interchange of labor and production. Barbarism was the social chaos in which each individual and tribe was independent of all others : each man being his own fisher, hunter and shepherd, farmer, cook and tailor ; each tribe producing within itself all the supplies demanded by its few and simple wants. The first step towards a society, a mutual interdependence, was taken in barter, the actual exchange of articles. The inconvenience of this rude system, its wastefulness of time and labor in the bringing together of wants which could supplement each other, and the admeasurement of value in dissimilar commodities, led to the adoption of a medium of exchange. This circulating medium acting as an all-adjustable standard of values, and an order drawn on the community for definite amounts payable in service or commodities of any kind, it became possible for men to confine their attention to special avocations for which inclination and ability fitted them, exchanging freely with one another by their money, storing their labor in money; and the first sign of true organic life showed itself in society, the differentiation of functions. With growing improvement in the modes of living resulting from the skill developed through division of

labor, and with growing ability to gratify those new wants through the increased powers of production thus attained, tribes reached out to exchange with tribes, and commerce opened. Trade, traffic and commerce, stimulated individual activity, quickened individual talent, cemented individuals into societies, diffused knowledge, educated thought, developed production, accumulated wealth, liberated time, and thus gave birth to culture, organized laws, created civilization.

Out of the necessity of supplying man's first and most common want, bread, has been evolved, under the Divine Providence and of the Divine Spirit, the social organism with its magnificent life. Humanity's education has been carried on in the institute of Labor, through its three faculties, Production, Traffic, Commerce.

Trade stirred the earliest spirit of adventure, glorified by time into myths as of the Argonauts in search of the Golden Fleece ; founded the first colonies ; built the great cities and reared the noble states whose names are immortal. From Athens and Alexandria, Jerusalem and the cities of Asia Minor, Rome and Carthage, Venice and the towns of Holland, to London, Paris and New York, civilization beads the thread of progress with the names of trading communities.

In these centres of trade the highest literary and æsthetic life has been developed. They have issued the charters enfranchising the people. Within them Religion has throned herself in power, and forth from them has pulsed the world with nobler life; from the day when Christ bade his disciples evangelize the world, "beginning at Jerusalem," and St. Paul obeyed the spirit of the order in founding churches in the commercial cities of the Mediterranean; down through the times when citizens and rustics were distinguished as Christians and pagans, to these days when in every state the church finds the heart of her working

power, the brain-centre of her thought, in the great cities which are the marts of trade.[1]

Our modern civilization is pre-eminently the child of trade. This new age dates from the discoveries which created mechanical industries and loosened the wings of commerce. Nature's forces indentured to the service of man, the world's productions brought as the material for these new powers to work upon, and the earth's area opened for the exchange of the crowding commodities, a life quickened in society which was felt in every sphere. The spirit thus begotten was one of the chief factors in the movement of the fourteenth, fifteenth, and sixteenth centuries which brought the modern era to the birth.

This new life in trade, with its free, proud spirit, its consciousness of power through the dowry brought it by its alliance with mechanical industry, assimilating with the independent theological thought of the times, stimulated the Reformation ; sympathizing with the wakening love of culture, it fostered the Renaissance ; and lent to each so great an impetus as, in addition to its own more immediate effects upon politics and social life, to give it a place in the triumvirate of powers creating the modern world.

The influence of this industrial and commercial revival looms larger with every further research.[2] That influence is

[1] Cf. the passage on the mental and moral benefits of commerce, Mill's Political Economy, ii. 135.

[2] Prof. Thorold Rogers, in "History of Agriculture and Prices," notes one of the many facts indicating this influence. Following the Great Plague there was a crisis, growing out of the lack of labor, which brought labor to a vantage-ground ; a crisis the event of which was a revolution, at first economical and ultimately social. Husbandmen accumulated money in the days preceding the outbreak of 1381, and subscribed to a common fund for mutual defence. A rapid development of labor's social condition followed, opening one of the springs which fed the Reformation, the common people's

still growing. Society is becoming a huge business mechanism. National politics are increasingly directed in the interests of trade. Cities are simply business hives. Social classes are receiving their order in the hierarchy of labor. Social science is a corollary of political economy, the science of buying and selling. The roots of our chief social problems are found in trade. The source of highest power, the sphere of loftiest philanthropy, the field for noblest ambition is more and more sought in business.

All orbits cross the plane of trade. All classes commingle in buying and selling. An increasing proportion of men and women spend the great part of life in its occupations. The atmosphere of the business world is determining the spirit of society. Upon its proper moral oxygenation the health and life of society depend.

When the pulse of trade is regular and normal, social life will be healthful and calm. When it runs feverishly, society will madden into the extravagance and luxury which waste its resources and corrupt its morals. When trade is pure and high-toned, the spirit of integrity and honor will make civic life sound. When it degenerates into a mad, unscrupulous fight for wealth, politics will be in America as of old in Rome, a mere branch of business, into which men go for its opportunities of enrichment. If our Philadelphia Centennial palaces could give an exposition of the

interest in theological and ecclesiastical matters. "In fifty years the tenant farmers were able to accumulate, in order to supersede the stock and land lease, not much less than treble the value of the land which they occupied, and this even in despite of unfavorable times. Is it wonderful therefore, in the face of these facts, that men who in the early part of that century have no place in the political history of the time, assert their rights with so much vigor in the latter part; embrace Lollardism, delight in 'Piers Plowman,' and adopt his style; inveigh bitterly against the friars and great ecclesiastics, and crowd tumultuously to county elections?"—History of Agriculture and Prices, vol. i. p. 688.

morality of our business world, it would be the most profitable self-knowledge they could yield the nation.

Trade must have some morals. Men could not associate for any ends without the recognition of mutual obligations and reciprocal rights. That recognized body of customs forms the code of conduct, the morality of the society. Every sphere of life develops thus of necessity a special morality. This customary morality may, however, lose vitalizing connection with higher than utilitarian standards, may fail to root itself in ethical principles, and so may be low in its ideals, weak in its motivities. It is needful in every sphere, and especially in the realm of business, where selfishness most powerfully depresses and deflects conscience, to bring the customary morality frequently before the court of ethical law, in order to ascertain its shortcomings, to correct its deviations, to vitalize anew its principles.

## I.

Our inquiry will confine itself to the conformity of trade morality with the ethical standard it recognizes, in common with all spheres of human association, society's noblest embodiment of conscience, The Law—in its letter, honesty; and in its spirit, honor.

The law defines and guards against two varieties of immorality in trade, violation of the obligations of speech and action, falsehood and dishonesty, summed up in the category of fraud.

Mr. Lecky, studying the development of morality in Europe, declares veracity to be the one virtue begotten by business, its moral fruitage.[1] Veracity is the positive pole, whose negative is fraud—untruthfulness of speech, dishonesty of action. A merely utilitarian scheme must formulate veracity and condemn fraud. The

[1] History of European Morals, i. 144.

fundamental requirement for trade order and prosperity is troth-keeping, fidelity to contract, faithfulness to obligation, dependableness. Trade does undoubtedly develop this virtue highly. No finer specimens of manhood's strength of veracity are to be found than business presents. Sir Henry Maine in his history of Ancient Law shows how, in Roman trade, contracting developed the sense of veracity in increasing fulness and purity till it was set free from all forms and ceremonies, the merely legal securities, and stood in naked honor, the word as good as a bond.[1] That is the normal educationary process of all trade, as it progressively cultures in men the ethical ideas of obligation; from the early solemn oath, in whose impressive ceremonies inhered the sense of a binding so that without these cumbrous religious forms no contract was considered as established, to the modern verbal agreement made upon the street in a momentary meeting, which now binds men in gigantic responsibilities. The comparatively modern credit system has wonderfully developed this virtue. Credit rests upon veracity.[2] This marvellous system, as subtle as powerful, links remote nations together in gossamer bonds, delicate as sentiment yet holding the passions and interests of men in subjection. Any day's operations in New York rest on the assumed trustworthiness of numbers of men in other cities and lands. Thus essential does modern business render the virtue of veracity, contract-keeping ; thus successfully does it culture it. A most striking illustration of the development of this virtue was furnished in this city during the panic of '73. Wall-street brokers can with pride point their

[1] Ancient Law, p. 303, etc.

[2] "This remarkable agency (the credit system), which has long proved one of the great moralizing influences of society by the immense importance it has bestowed upon character," etc.—Lecky, Rise and Influence of Rationalism in Europe, ii. 348.

rural friends, who, with their famed immaculateness in bargaining, are such comfortable believers in the total depravity of all Bulls and Bears, to the fact that during all those days of excitement and consternation, when great houses were tumbling loosely and fortunes were flying to the winds, of all the brokers doing business with the banks which honored checks beyond the warrant of deposits, often to large amounts, on the mere tacit understanding that the amount should be reimbursed that day, not a single firm really failed in this debt of honor.[1]

This would seem to justify the high eulogium on business virtue it often calls forth. If indeed contract-keeping exhausted the scope of truthfulness and honesty, our inquiry would come speedily to a close with most satisfactory conclusions. One of the curious features, however, of all customary morality is its development in great perfection of the virtues absolutely necessary to the relationships concerned, while in other no less ethical but only less essential matters there is no corresponding moral life. "There is honor among thieves;" for though they may steal from the public, they must in self-defence respect each other's rights.

One who looks into the provisions of the law against fraud will have what our Methodist friends would call a "realizing sense" of the weakness of trade morals, if the range of truth and honesty is extended beyond contract-keeping. He gains a revelation of duplicity, deceit, dishonesty and cheating, which, both in the extent and the subtilty of the frauds involved, will be as painful as instructive.[2] Observation in the actual world of trade

[1] The one firm which technically failed in this debt of honor did so without fraudulent intent, and subsequently paid up in full.

[2] For enumeration of varieties of fraud recognized by the law, cf. Story's Equity Jurisprudence, § 252. The whole division upon this general subject is full of sad disclosures as to the morality of trade.

will verify this legal view, and make only too patent the existence of multitudinous forms of fraud in the customs of trade.

Such a survey to be just, and therefore valuable, must not, however, be directed towards exceptional enormities. It would be easy to cull from the papers in a few weeks a catalogue of business outrages which would be as little indicative of the general state of trade as are the social horrors the same papers record expressive of the average American society. The rascalities of unprincipled men may argue nothing against trade. If disapproved and condemned by trade codes, they may argue favorably for the morality against which they stand relieved as the exceptions to the rule. A fair inquiry must concern itself only with the frauds which are common, are tacitly allowed, which shelter themselves under the customs of trade, which men do and neither blame themselves severely nor are thus censured by others. By even this fair criterion the judgment of any observer must be most unfavorable. In a large majority of trades, practices are habitual and allowed which the law pronounces fraudulent, or fails to so adjudge only because they are too minute to bring them under its eye, too prevalent to waken that condemnation by the public conscience which voices itself in statutes.[1]

## II.

Through the extensive line of retail provision dealers, to begin with the trade which comes nighest to us all, it is notorious that petty deceits are so common as to have established themselves in the purchasing mind as the normal order of things. You dare not trust yourself to a

[1] Fraud can not be so provided for by explicit legislation as to cover all its forms; man's ingenuity always outrunning the slow foot of the law.—Cf. Story's Equity Jurisprudence, § 186 (note).

dealer unless you know him, and you may not, save in the case of an established name, affirm knowledge till you have dealt a considerable time with him. The experienced buyer feels obliged to question his prices, watch his scales, follow his dressing of the meat with that vigilance which is the price of other goods besides liberty. If you deal by orders, you can not be at all sure of the quality your money would have secured under personal supervision. Your baker skimps your rolls, and you pardon this if believing that he does not make up for poor flour by admixtures scarcely so nutritious. Your milkman will sell you for pure Orange County milk a fluid of a blueness that argues either that the prevalent breeds of cows are degenerating or that water is cheap ; while the liquid which, by a gentle stretch of courtesy refreshing in the prosaic waste of trade relationships, we denominate " cream," has to be carefully deposited in a special pitcher to be distinguished from its less costly companion.[1] You know perfectly well that the top layer of fruit as a sample of the basket is a sham. The assurances of dealers you learn to take with at least the one grain of salt proverbially belonging to them. These are all petty frauds, but are indicative of the veracity of the trade. The character of the commodities dealt in by this line, spoiling quickly on the hands, involving thus peculiar risk unless rapid sales are effected, extenuates somewhat the judgment upon its general trickiness.[2]

If one could accomplish the rather vague arithmetic needful to produce the proper equation in which as are the risks so will be the overreachings, he would probably be near the truth as to the relative character of other retail trades. These trades are generally built up by advertising ; and the whole system of advertising presents one of the most curious moral studies afforded by business. The pres-

[1] See Appendix A. Adulteration of Milk.

[2] See Appendix B. Frauds in Selling Unwholesome Foods.

ence of veracity in this system may be represented by X, an unknown quantity. The exaggeration is unblushingly regardless of truth. There would seem to be some indulgence vouchsafed the patrons of this art dispensing with all ordinary rules of speech, even of trade speech. Puffing direct, through glowing descriptions in which the drop of fact is blown to a bubble of pretentious size and resplendent brilliance ; puffing indirect, through purchased editorial opinions; announcements of closing-out sales as unindicative of finality as a prima donna's farewell, and a whole tribe of lies, unique and modern, constitute the art of advertising. This is so well known as to neutralize its trade-worth, were it not for the correctness of the great showman's diagnosis of human nature, "It likes to be humbugged."

In the stores to which we are thus beguiled we are met by the typical salesman, bland, persuasive, oracular, who can give answers to every question, reassure us upon every suspicious point, and send us home as content as he is. Veracity is certainly not the type of virtue developed in the average retail business, the qualification sought by employers or furnished by employees.

Tricks in palming off goods of inferior quality, of damaged material, of short measure or low weight, American makes for importations, with other similar deceits, are among the accomplishments of a good salesman.[1]

[1] "'Any fool can sell what is wanted,' said a master in reproaching a shopman for not having persuaded a customer to buy something quite unlike that which he asked for. . . . Our informant was obliged to relinquish his position in one of these establishments because he could not lower himself to the required depth of degradation. 'You don't lie as though you believe what you say,' observed one of his fellow-assistants. And this was uttered as a reproach." Herbert Spencer, Essays Moral, Political, and Æsthetic, p. 112.

"Your boy will never make a business man," said the head of a house to a disappointed father who had placed his son under this

Nor are these minor frauds confined to small dealers. Houses that should be above such picayune rascality do not scruple to resort to these nice methods of driving business. Good articles are placed on sale at low prices, and when a run is established inferior goods are substituted. Imitations are sold as genuine articles so constantly as to have created a presumptive claim to the title under which the sham is sold, and the sense of fraud disappears.

In prices, the absence of customary standards in most lines engenders so great a temptation to overcharging that, even if Mr. Mill's charge against British retailers, that prices vary with the probable knowledge of the buyer, be not equally applicable here, shoppers find such an acquaintance with the market a most comfortable security.[1]

In wholesale trades the pettiness of frauds naturally disappears, and whatever there is of cheating is done upon a larger scale. This lays dealers open more easily to legal redress, by bringing their offences up to the size where they come under the eye of the law, and this acts as a check upon fraud. The responsibility of the frauds committed in wholesale supplies is so involved with manufacturing and producing that a judgment becomes difficult.[2]

Mr. Spencer's judgment upon this particular, as touching English trade, is: "On the average, men who deal in bales

firm. "Why, is he not bright enough? Or surely it can not be that he is dishonest?" "Ah! no; he is too honest altogether!"

[1] "Not only are there in every large town, and in almost every trade, cheap shops and dear shops, but the same shop often sells the same article at different prices to different customers; and, as a general rule, each retailer adapts his scale of prices to the class of customers whom he expects."—Mill, Principles of Political Economy, i. 311.

[2] Early in the winter in which this lecture was written, a meeting of wholesale produce-dealers was called to relieve themselves of the responsibility of the frauds charged upon them by grocers, by taking action against the fraudulent manipulations of country producers.

and tons differ but little in morality from men who deal in yards and pounds. Illicit practices of every form and shade, from venial deception up to all but direct theft, may be brought home to the higher grades of our commercial world. Tricks innumerable, lies acted or uttered, elaborately-devised frauds, are prevalent, many of them established as customs of the trade ; not only established, but defended." [1]

The methods of agents and runners would open some unlovely customs ; bribes in one form and another, bonuses, presents ; not to speak of the pandering to the vilest pleasures of rural purchasers who are " shown the city" by these trade bawds.

In manufacturing there is undoubtedly a large proportion of fraud, though again the admeasurement of responsibility is by no means easy. There are frauds both in quality and quantity.

As to the adulterations in prepared foods, the line where popular belief charges most wrong, the correctness of the general judgment is, on the whole, corroborated by careful investigations. Inquiries instituted by the Board of Health in this city disclosed extensive adulterations, though not to the extent or injuriousness supposed. Similar inquiries of the Massachusetts Board of Health yielded a severer judgment.[2]

Adulteration of liquors is without doubt carried on extensively, though with what degree of criminality it is difficult to determine. The National Temperance Society gives the judgment of good authorities to the effect that liquors are so doctored as scarcely to be found pure, and that the admixtures are of most dangerous character. The Massachusetts Board of Health reports, as the result of careful inquiries, the existence of a very considerable system of adulterations and imitations, while concluding

[1] Herbert Spencer, Essays Moral, Political, and Æsthetic, p. 107.

[2] See Appendix C. Adulteration of Foods.

that the larger part of the doctoring that liquors receive adds nothing worse than alcohol. Imitations of choice liquors certainly constitute a large business, some idea of the extent of which may be inferred perhaps from the fact, apparently established, that the yield of the Champagne region is barely more than sufficient to supply French wants, while all the world rejoices in an unlimited supply of this favorite beverage. Recipes for the making of choice liquors according to approved methods are to be bought by any one wishing to go into the business.[1]

The imitation of valuable or profitable articles in different lines, fancy goods, jewelry, foods, textile fabrics, etc., forms a considerable branch of manufactures ; a conjecture as to the extent of which may be formed from the prevalence, in the putting up of popular commodities, of warnings against counterfeits, even after due allowance is made for the operation of one of the devices of the advertising art.[2]

There are also extensive frauds currently committed in the quantity furnished by manufacturers. It is to be feared that here also Mr. Spencer's judgment of England is applicable to America—"Articles that are sold in small bundles, knots, packets, or such forms as negative measurement at the time of sale, are habitually deficient in quantity." In some goods they are understood by dealers to measure falsely ; below the warranted quantity.[3]

[1] See Appendix D. Adulteration and Imitation of Liquors.

[2] For example, the cheap butter sold to the poor is to a considerable extent butter only in name, being a composition of oleaginous substances by no means charming to contemplate in an edible aspect. The counterfeit label and wrapping fraud goes through a large proportion of trades. As these sheets are being corrected the papers record the discovery of an extensive business in pianos sold under popular names. The list could be run out indefinitely.

[3] Essays Moral, etc., p. 133. Illustrations of this line of fraud are scarcely necessary, as they are meeting us daily in such numbers that, like our cone-bottomed bottles, we have accepted the cheats as

In importations the current frauds are of two kinds. Fraud is practised upon buyers extensively, from all I gather, in the adulteration of materials and the lowering thus of grades, while selling at the prices of the pure articles or higher grades.[1]

Public attention has been called of late to the frauds upon the customs revenue. Upon all *ad valorem* duties there is an opportunity of fraud whereby great profits may ensue. The discussions of the past few years, so beclouded in the dust raised by those interested in one way and another in the covering over of any dishonorable action on the part of our importers, have probably deposited some such judgment in impartial minds as that I have been forced to draw.

Governmental informers were certainly exposed through the moiety system to a severe temptation ; their scent of wrong preternaturally quickened, the reputation and the actual business of importers placed much at their mercy, the opportunity of blackmailing made secure and attractive ; and under this temptation to unscrupulous rapacity placed before the employees of our demoralized civil service, they have doubtless yielded and honest firms have suffered. But in some of the leading instances before the public, the charges have not been satisfactorily disproved ; in others they have

the normal method of manufacturing. One case noted is of a man having a contract to wind a large quantity of silk for a house who furnished the spools, which *all were thicker than marked,* thus lessening considerably the quantity of thread upon them.

[1] The *Spectator* had a notice some time since of a case wherein a large tea-importing house in London was charged with this fraud. It was proved in court that teas so doctored as scarcely to be teas were sold under standard names ; and the defence made was that the universal custom of the trade recognized and allowed this adulteration. The judge interposed that the article sold could lay no claim to be called, as it had been, " pure tea ;" and the reply was, The trade understood it !

been clearly sustained. The conclusion is not to be avoided that there was need for some such strong stimulant upon the detectives to overcome the lures held out by the trade to inaction, and that under the superior incentives of the government system shrewd and capable men did unearth actual wrongs where little suspected, and reveal the presence of a wide-spread system of fraudulent importations. This is a judgment confirmed by revenue statistics, and by the testimony of importers themselves, who declare that, as a general rule, unsuspected firms have not been disturbed; errors found in their entries having been reported to these firms and corrections quietly made.[1]

## III.

In this bird's-eye view of the current frauds of trade, many lines of business have not been brought out to notice, and in those thrown upon the picture there will be no suspicion, I think, of over-coloring. Much more might have been said with entire truthfulness. The strongest language that could be used would be the simplest statement of the facts coming to the knowledge of any one who is at pains to look into the usages of business.[2]

[1] See Appendix E. Frauds in Importations.

[2] Mr. Spencer's summing up as to British trade is: "After making all allowances, however, we fear that the state of things is very bad. And our impression on this point is due less to the particular facts above given than to the general opinion expressed by our informants. On all sides we have found the result of long personal experience to be the conviction that trade is essentially corrupt. In tones of disgust or discouragement, reprehension or derision, according to their several natures, men in business have one after another expressed or implied this belief. Omitting the highest mercantile classes, a few of the less common trades, and those exceptional cases where an entire command of the market has been obtained, the uni

The worst feature in the case is that these practices are allowed, unrebuked by the public opinion of the business world, as customs of trade, gaining from usage a certain prescriptive right to respectability, and coming thus to be regarded by the average business man as not chargeable with immorality. They are of course disapproved theoretically, but the practical opinion of them is expressed in the French shrug. It is said, They are doubtless incorrect, but then one really can't do business according to ideal standards, and with these customs actually in vogue one has to fall somewhat into the ways of the world ;—and so men who do not mean to do wrong lower unconsciously their judgments, sink unwittingly into usages that fail to shock their consciences, only by reason of the blunting of the finer moral senses that comes of familiarity with a low tone of social sentiment.

Few grow indignant over these trade usages. Most men characterize them by the term "smartness," the vice of the trading spirit : much pleasanter, you perceive, than "unscrupulousness," its real synonym. The men who commit these questionable practices are not shunned. They are regarded as being, outside of business, good men. And so they may be, even as we frequently note, exemplary men in all other relations of life; but in business hard, sharp, not over-scrupulous, falling readily into the ways of trade. Trade morality has largely severed its connection with higher standards than custom. It rests content just above the plane of actually indictable offences, deeming itself irre-

form testimony of competent judges is that success is incompatible with strict integrity."—Essays Moral, etc., p. 134.

A comfortable conclusion drawn from this investigation, if one may allow of satisfaction in believing that others are worse than ourselves, is the opinion that British trade is even more corrupt than our own. Certainly much of Mr. Spencer's Essay seems inapplicable here.

proachable if the law can not judge it criminal. And this though jurists tell men that the law, while a noble attempt at equity, of necessity falls far short of it in its enactments; and in its administration can but express the current tone of society, being strict or lax according to the life of the community.[1]

And as for running the roots of trade morality up into the ideal standards of religious ethics, that is declared by even Christian men to be impossible. "Business is business," and is to be carried on under its own unwritten law, Custom. What that is we have already seen: a code of conduct whose ideal is non-criminality, whose standard of integrity is the truth and honesty which clear the hands of the law.

What can the morality of business be, when truth and honesty are admeasured by legal statutes, and the spirit of honor—the obligations of a righteousness transcending all technicalities of courts, the law of true manhood—is practically unacknowledged?

The decay of the fine sense of honor which alone ever vitalizes the literal law is the saddest feature of our business community, alike in the productions of industry, the buying and selling of traffic, and the exchanges of commerce. In every sphere of business this decadence of honor is the characteristic sign of the times.

Charles Dudley Warner's amusing description, in "A Summer in my Garden," of the aggravating tricks of artisans to consume time and spin out their jobs, is perfectly

[1] Fraud can not be provided for by explicit legislation, so as to cover all kinds and evidences; for man's ingenuity would circumvent it, the possibilities of fraud being infinite.—Substance of § 186, note, Story's Equity Jurisprudence.

, The law on fraud is not commensurate with the obligations of conscience. The sphere of morality is more enlarged than the limits of civil jurisdiction. Many duties belong to the class of imperfect obligations which are binding on conscience, but which human laws do not and can not undertake directly to enforce.—Story, § 206.

true to life. We are all provoked by these ill-disguised devices every time we want a lock fixed or a leak in a pipe stopped. The conscience of the average workman seems wholly blunt to any dishonorableness in going to a job without the proper tools, and charging for the time consumed in going after first one and then another of the implements he discovers (?) to be necessary. The most superficial eye will distinguish the laborer who is paid by the day from the job worker. "Contract work" is our synonym for bad work, as though in unconscious satire upon the honor of our highest trade virtue, contract-keeping. We have come to expect that wherever it is possible to skimp in labor, or substitute inferior materials without invalidating the contract before the law, it will be done.[1]

Probably the most marked feature of our modern industry is its lack of thoroughness, of conscientious labor taking satisfaction in doing its work well. Doubtless there was abundance of job work in ancient times and in mediæval ages. But there was so much of thoroughness that even now Europe is strewn with structures which time has been powerless to overturn ; which the mad folly of man fighting amongst his choicest treasures, pulling down his

[1] I was greatly amused some time since in watching a file of men in Central Park engaged in trundling barrows, never having known before how slowly it was possible for wheels to revolve. The minimum speed (!) of human locomotion was revealed by the genius of Irish labor at a dollar and a quarter a day. Some time after, lounging over the taffrail of a steamer on the North River,—watching the stevedores engaged in measuring, bagging, sewing, and marking the corn lying in bulk in a lighter by the steamer's side, and loading the steamer with it,—I saw an exhibition of intense, persistent, rapid physical exertion, which was a revelation of the energy developed under a system of pay which made it the interest of the stevedores to do their work in the shortest time possible. Of course no one is foolish enough to think this spur of interest can be dispensed with, only it is instructive to note how little power mere honor has in the lower grades of labor.

ancestral palaces to build himself temporary hovels, has not sufficed to ruin.

Roman engineering shows its solidity in the viaducts and roadways, bridges and embankments, which, after fifteen hundred years of hard use and harder abuse, still stand in massive strength to teach this nineteenth century that dams can be built so as not to give way in a year or two, burying villages beneath desolating floods ; that roads can be constructed which shall not need to be pulled up every half decade and remade ; that bridges can be thrown so as not to break down at any unusual strain, plunging hundreds of happy spectators of some festival into watery graves.

Gothic architecture shows its thoroughness in the noble piles which stand to-day hoary with the history of centuries, having borne summer's fiercest heats and winter's sharpest frosts, the shock of cannonades, and the fury of riot ; lifting still their delicate frettings against the sky, poising with the serenity of the Eternal their pinnacled saints ; while beneath the minster shadows we who pity the dark ages run up our spick-and-span new buildings, with all the modern improvements; not omitting that always latest patent, the art of insecure foundations and unsound columns, flawed girdles, untempered mortar and overweighted walls, whereby our pretty structures tumble down so naturally when a heavy frost thaws more suddenly than is proper, or a few more people crowd the rooms than the builder calculated ; leaving, of course, but one verdict open for the intelligent coroner's jury.[1]

All lines of industry show the varied forms of poor workmanship and poor material, which by their prevalence have coined a new term expressive of our American contribution to the industrialism of the world, "shoddy." Our streets, our churches, our homes, our persons are alike disgraced

[1] The references in this paragraph are to calamities occurring within a few years, and still fresh in our memories.

by shams. Our children sicken in our homes of the fevers which haunt their rooms, rising from the fœtid *cloaca* of a great city, where we suppose they have been securely imprisoned, through defective traps and pipes, breathing in the silence of the night upon our little ones the kiss of death.[1]

Trade proper furnishes abundant evidence of the same decay of honor presented by industry. A few facts will suffice for illustration. The book trade naturally enrolls men of superior intelligence and culture ; yet even this exceptional trade, while conscientious individuals would deal honorably in the matter if protected from the piracy of

[1] There is probably little doubt that a large proportion of our city fevers originate in our grossly-imperfect system of house-drainage. Our builders assure us that the elegant "brown-stone fronts" are all safe in this respect, when in the great majority of cases the one or two alone sure preventives of danger are not found there at all.

Few more shocking exhibits of criminal work have been given of late years than under the administration of the national capitol, in whose so-called improvements a large district occupied by poor people has been exposed to the ravages of fatal fevers emanating from the wretched drainage, and a local plague has swept off human lives and debilitated those left to battle through life fatherless and husbandless.

Though not falling under the point in consideration, there comes to mind the most terrific of all modern illustrations of the utter recklessness of human life which has been gendered of trade, the most frightful of all frauds possible—the evil which Mr. Plimsoll has so fearlessly and persistently exposed. Can the human mind picture trade as doing any thing more horrible than sending rotten ships to sea overladen and heavily insured, and then in the persons of wealthy merchants sitting calmly down in comfortable counting-houses, awaiting tidings of the storm which should carry down the old hulk and its score of sailors, leaving as many families orphaned and widowed, but leaving also a nice payment in expectancy for the owners from the insurance companies ?

One of the devices of fraud in ship-building has been happy enough to get its proper name. Sham bolts in the sides fastening the timbers are made, heads without any body bolts ; and these sham bolts receive the name of "*devils.*"

the unscrupulous, can not be gotten as a trade to recognize rights unprotected by law; and because there is no international copyright act, will not pay foreign authors, out of whose brains they make their money, the percentage they would be compelled to pay those authors if resident in this country, under the law's penalties for robbery.

Men fail every day, compound amicably with their creditors, or go into bankruptcy; yet so rarely are these unpaid debts regarded as in any sense obligations, that when after success comes and a man hastens to pay them up in full, he is regarded as a singular specimen of scrupulousness.[1]

A prominent lawyer of this city assured me that in twenty years' experience he had never known a failure, where there had been trust moneys in the hands of the party failing, that they had not been placed with his general funds in the business and swallowed up in its ruin.

Not a great bank or savings-fund or other institution fails but that it is found that most of the men whose names floated the concern were merely nominal directors, allow-

[1] In fact, one of our modern devices is the art of growing rich on debts. Failure has come to be viewed suspiciously as a resort to this 'cute method of disentangling one's self from liabilities. The story told by one of the papers of the young man who failed, and feeling it his duty to inform his *fiancée* and release her, was reassured by her practical view of the matter, "Oh! never mind, father says you've made a good thing out of it," is unfortunately not wholly a burlesque.

The *Evening Post* for Jan. 9, 1875, had the following paragraph: "This custom of paying one's creditors after a release has been obtained is a beautiful feature of the olden time which should be brought again to notice. The writer found in the files of the *Evening Post*, and published nearly seventy years ago, the following advertisement, which is a fine piece of ancient honesty:

"'NOTICE.—The subscriber feels himself happy in having it in his power to pay his old debts. All persons, therefore, to whom he was indebted as a partner of Wilmot, Howell & Co. will receive the full amount. JOHN E. SEAMAN.'

"This example was followed in later days by Wilson G. Hunt, and other honorable names could be added."

ing the use of their reputations to draw custom to the concern, while themselves as ignorant of its management as the outside public.

## IV.

The most impressive exhibit of the decadence of the sense of honor is afforded by the characteristic business of our age, if business it can be called, whose prevalence and influence upon the spirit of trade prompt me to dwell somewhat upon it.

It is much to be desired that some competent authority would give to the business community a natural history of speculation ; a description of its varieties and species, with their characteristics and relationships.

There is a legitimate and beneficent speculation, between which and the illegitimate and pernicious branches there is the difference of the healthful glow of life and the hectic flush of oncoming death.

The improvement of new regions, the engineering of great schemes in which the local and the general public are interested, is the work of wise prevision and courageous enterprise. Our American civilization has built itself up by *bonâ-fide* speculation. This always carries risks. In unpropitious times it may easily fail and scatter widespread distress. We have need to be careful in our judgment of the criminality of schemes which fail thus. The public which cries out against an unsuccessful financier would have loaded him in success with the honors of a public benefactor.

The most legitimate speculation demands, however, a peculiarly high standard of responsibility to preserve it from dishonor. The ending of magnificent schemes would be tragic enough in the pathos of the fall of the moneyed Colossus, as so often retold.

"Did he fling himself down? who knows? for a vast speculation had failed,
And ever he mutter'd and madden'd, and ever wann'd with despair;
And out he walked when the wind like a broken worldling wail'd,
And the flying gold of the ruin'd woodlands drove through the air."[1]

The pathos is deepened when we see that the flying gold of the ruined woodlands is not merely from his own estate, but the shaking of the forests far and near in the giant's fall. It is not personal risks alone that are borne in these enterprises of great pith and moment, but the fortunes of multitudes of investors, a large part of whom are always drawn by the prominent names backing the scheme and the attractive promises held out on the strength of those names. Failure means far-reaching ruin, the scattering of hoarded earnings, the loss of provision laid by for old age, the sweeping away of support from widows and orphans, the breaking up of businesses and homes; distress and want ramifying indefinitely through society. And wherever by the confidence had in established names, through the strong assurances of prospectuses, essentially risky schemes are worked off upon the public to its heavy loss, only the clearest evidence of honesty can save such speculation from criminal dishonor.[2]

[1] Maud, i. 3.

[2] Mr. Mill has pointed out the fact that the class which really suffers from a speculative failure are not the legal claimants, but the multitudes of whom few think.—Polit. Econ., ii. 326.

Mr. Ruskin has powerfully drawn a picture of the results of such failures, in a passage appended in the hopes that some who are unfamiliar with his writings may read it here; and in reading it perhaps sympathize with the lecturer in the wish that a series of *trade tracts*, giving in compact form the finest passages of some of our modern sages bearing upon the ethical aspects of trade, might be put forth as one of our most needed educationary measures with reference to trade morality and general social welfare; and even co-operate in the establishing of a fund in the hands of one of our publishers for this purpose.—See Appendix F. Ruskin on Speculative Failures.

Genuine speculation is characterized by some or all of the following features : personal investment, calculable risk, justifiable security, public improvement.

As these elements disappear from speculation,—as others' funds are used in lieu of one's own, as the risk becomes non-calculable, as the security depreciates, as the end sinks into mere private gain,—it passes over into illegitimacy.

Its characteristic feature, risk, developing into pure chance, speculation sinks into gambling ; which is not necessarily of the nature of fraud, but is essentially criminal, coming under the pronounced condemnation of the law.

One of the latest English authorities upon the subject estimates nineteen twentieths of the transactions of the London Stock Exchange as *pure gambling*.[1]

Gambling is simply some form of betting, taking risk on chances. There is no essential difference between betting on the throwing of dice and on the turning up of stock values a week from date. The line of distinction between the operations of Mr. Morrissey's establishment and many of the operations of Broad street is a mathematical line, without breadth or thickness. And if the professional gambler bets in the regular establishments upon loaded dice of some sort, some trick of the game whereby profits fall to the bank and losses to the visitor, the professionals of the street quite as commonly bet on loaded dice of other sorts; and out of chance is precipitated a knowable certainty, which is to speculation as swindling is to gambling. It is not merely that A contracts with B to deliver so many bushels of grain a week off, at a given price, A not expecting to deliver or B to receive the grain : A only expecting to pay the difference of value if gold is lower then ; B only expecting to pay that difference if gold is higher ; there

[1] "Theory of Stock Exchange Speculation," by Arthur Crump ; quoted by the *Saturday Review* for March 28, 1874.

being no actual exchange (that is, legitimate business) contemplated by either party, the whole transaction being simply a pleasant fiction veiling the naked betting on the price of grain at the given date in the future; but that A then knows of a movement in contemplation to bull gold up, or sets immediately about starting one, while B knows of a combination to bear gold down, or inaugurates one at once; or it is that A is in a ring to corner grain and force prices up, or B is in a conspiracy to let out locked-up grain and force prices down—*each betting on loaded dice.* The profits of such speculations are the profits of *swindlers*, as genuine blacklegs as ever went to Auburn or Sing Sing.

Such speculation involves the public only indirectly; being happily a game within the professional circle, though unwary folk venture in, try their luck, and go out wiser and sadder men.[1]

Speculation sinks into criminality in another line, directly engaging the trusts of the public with design not of the public good and of a fair reward therein to the management, but of the private gain of the management at the risk and even the direct cost of the public. Since the days of the "Grand East Indian Company, Limited," of which Tigg Montague, Esq., was President, there have been no lack of ingenious[2] schemes in which people's purses have been rifled in a gentlemanly manner, under cover of fancy speculations gotten up simply as a form of stealing unindictable till the clever operation is accomplished, when with the valuables the thief is gone. Only our later financiers have improved upon the rough methods of their ancestor. They don't decamp as common thieves—trade dialect, "defaulters"—with the paid-up capital stock, in all the ignominy of a flight from

[1] Mr. Mill shows how in pure speculation the gainers and losers are largely of the speculative class themselves.—Polit. Econ., ii. 287.

[2] Ingen*i*ous, but by no means ingen*u*ous. An iota may make as much difference in morality as in theology.

the police. They buy a worked-out mine for $1,000,000, secure glowing reports from experts generous enough to give their services, like Messrs. Dodson & Fogg, "on spec.," organize amongst those let into the secret a company who appear to the public as vendees, with prominent names to act as decoy-ducks; and then when investors flock in and the stock is floated out well towards the $5,000,000 capital of the prospectuses, the originators quietly unload their shares, for which they never paid in perhaps a cent to the concern, or at best some small percentage of the nominal price; jump ashore from the crest of the wave marking high-water line, leaving the ebbing tide to carry the *bonâ-fide* stockholders farther and farther away from any hopes of realizing on their investments; and so far from hiding themselves from public gaze, walk the shore amidst the congratulations of their friends, meeting any criticisms that come to their ears with the air of dignified martyrdom becoming the victims of a licentious press.[1]

This fever of speculation, tending always to direct demoralization, is eating out the heart of real business, firing the mad haste to be rich without paying for wealth in work, an essentially immoral impulse which practically means the willingness to grow rich by gambling or by stealing. All lines of trade come under this subtle fascination, and turn their legitimate business into speculation; or where the business is not changed, men mingle in outside speculations, so that when we hear of a failure we have come to expect that the firm have been upon the street.

Even the one class of business men under the heaviest responsibilities, bankers, are drawn into the vortices of this passion for gaming. Men to whom we entrust our savings, who by law are limited as to their investments, so that no risk may attend their securities, are found fre-

[1] Cf. the *Nation's* review of the Emma Mine case, No. 570.

quently transcending those limitations, loaning their deposits on illegal securities, for the sake of higher interest; even themselves uniting the irreconcilable functions of banker and speculator, receiving with one hand deposits, and with the other putting them out in great schemes of possible large profits, of certain great risks. The huge railroad corporations of the country, created by law for the public convenience as highways of travel and trade, from their commanding positions of power have become the points of attack of our boldest speculators; and in notorious instances have been seized by these robber barons of our century, and used simply as the castles of their prototypes along the Rhine, to levy blackmail upon traffic. We have the familiar sight of the corporations exerting the greatest influence on the country managed by gigantic frauds, their stocks watered, dividends paid upon loans, the profits going into the pockets of the controlling clique, till the inflated concern has no real value and collapses, and a new departure is taken under other hands; or by striking ability the roads made to cover these frauds and overshadow them in the glare of success. To one who surveys the business world from an outside point of view it seems a repetition of history: "Barons of the Bags" precipitating themselves upon the fields of industry, warring wildly with one another in a conflict where, whoever wins, those fields are devastated; Power and Craft forcing Weakness and Dulness into "corners" and emptying their pockets, sweeping over the industrial world in savage forays, confiscating the estates of quiet citizens, carrying off their effects, leaving behind them a dark wake of ruin.

Such is the real significance of crises induced by speculation.[1]

[1] Mr. Ruskin, whose is the forcible titling used above, declares all panics to be the result of stealing or gambling.—Political Economy of Art, p. 124.

Yet men congratulate themselves that they live in a land and an age where property is secured from the lawless rapine of the Middle Ages! As though your business, my prudent friend who never dabble in fancy stocks, were not carried on in perpetual anxiety, under the uncertainties of this chronic state of war; and as though your investments were not liable suddenly to tumble down in value, your income to be cut off, your fortune to take to itself wings, in the panic the speculative circle can spread at any time through business.

The honor of these speculative adventurers is the honor of gamblers and highwaymen.[1]

## V.

After such a picture as I have drawn of the positive frauds of our business world, and of the spirit of honor actuating trade, it would seem a natural conclusion to yield a sweeping judgment upon "that rotten thing called commercial morality." Sweeping judgments are, however, rarely reliable, and in this case would be as much of an extreme as the easy satisfaction with which so many men in

[1] One of our papers some time since gave the following: "In pronouncing sentence upon Phelps, the defaulting New York State cashier, who was sentenced to fifteen years' hard labor in the penitentiary at Albany, Judge Westbrook made some very timely strictures upon the loose way in which it is becoming the fashion to palliate or cover up such offences. He remarked that 'the enforced borrowing of another's money by an unlawful taking against the owner's will, hoping, by subjecting it to the hazard of gambling speculation, to return its equivalent, is just as reprehensible in wholesome morals and sound public policy as the taking with no such intent.' Judge Westbrook pronounced the defence of simple 'breach of trust' to be as unsound in law as it is false in morals, and accordingly inflicted on Phelps the maximum penalty of the law under all three indictments."

business regard its ways. Trade can not be wholly rotten, or it would tumble in upon itself in ruin. It is not wholly rotten, as is signified by the presence of so many men who are active and successful in business and yet of high-toned honor, men who give robustness to our social character and dignity to the titles of merchant and banker and broker.

We must remember that diseased parts of the body force themselves upon our notice, while the healthful functions do their work unheeded. You think more about the day in which you were troubled by dyspepsia than of the six days in which you digested your food in peace, and are apt to deem yourself incurably afflicted. We are all quite sure to note in our calendars the losses by fraud, while the days in which we were not cheated receive no entry. Society's scamps obtrude themselves upon our attention, while the honest traders wend their even ways unnoticed. Some of our most largely-circulated newspapers seem ambitious of the rôle of societary vultures, scenting carrion afar off, and swooping down upon every scandal with a rotten relish. They set before them the noble aim of duly searching out all the heroes of whom the world is quite worthy, and blazoning their names in the illustrious calendar of fools, brutes, rogues, and fiends, spreading abroad their every deed of shame for the delectation of the virtuous and the education of imitative youth.[1]

[1] It is rather funny to read the sermons our newspapers preach upon business immorality, when they themselves are so largely mere businesses, sometimes high and noble businesses, but sometimes also very disreputable ones; being managed with a view not at all primarily to their ostensible character as public educators, but to their actual character of joint-stock enterprises and the supreme duty growing therefrom of turning out good dividends;—their politics policy, their principle expediency, their rôle that of caterers to the taste which pays, though that taste demands sensationalism, pruriency, the rakings of the kennels of civilization for the titbits of vice and crime. The familiarity with brutality, rascality, impurity,

Therefore, also, we may suspect that the pessimism which bemoans the unexampled corruption of the present age is, like all forms of pessimism, superficial, unhistorical ; and that if we knew as much of former days, we should find that, in proportion to the relative activity, there was as much corruption in the corresponding epochs of other nations as in our age and land. English laws preserve the record of enactments in past generations against many of the very species of fraud which grieve us to-day. English literature gives incidental hints of the existence of the same low tone of honor. As far back as the days of Israel, trade was given to sharpness and smartness. The Hebrew Prophets teem with denunciations of "false balances," "deceitful weights," and other kindred practices, doubtless customs of trade then as now ; and of the unscrupulous rapacity of the great operators, who added house to house till there was no room left in the land, lying in wait for the poor and ravishing them when they had gotten them into their nets ; in short, doing just as our modern financiers do.[1]

Sir Henry Maine bids us remember that the frauds which so shock and discourage us are only rendered possible by the trust men place in one another, which trust implies that they are in the average honest.[2]

Truthfulness of speech and action is a virtue of peculiar slowness of growth, slow, in fact, as the illumination and vitalization of the whole nature; an education of mind, heart, and conscience. Strong as is my own judgment upon the actual morality of trade, I do not regard the average man of business as corrupt, but as imperfectly educated in

which most of our dailies give our young people is doubtless one of the most powerful corrupters of our social morality. Upon what defensible ground is every piece of trade rascality to be turned to the account of the press business ?

[1] See Appendix G. Trade Frauds in Earlier Times.

[2] Ancient Law, p. 312.

moral discriminations, insufficiently instructed as to the real responsibilities of business, weakly influenced by example, too easily satisfying himself with the sanction of custom, selfishly bent on making money, blinded by this passion to the true nature of his actions, driven by the stress of competition and by the doings of the really unscrupulous into ways he secretly condemns.[1]

Prof. Thorold Rogers points us to another encouragement in the suggestive fact he brings to notice, that the period when the greatest clamor is raised against existing abuses is not, as we should suppose, the time when the evil is at its height, but rather the day when improvement has considerably advanced.[2] It is when life is returning that the cry is heard. A strong and indignant protest is the utterance of self-consciousness in society, aroused to see the evil that has been oppressing it, and struggling to throw it off. While, then, I can not but regard the present state of business morals as extremely sad, and can not but see therein the tokens of a decline in the moral forces of the nation,[3] I discern, in the public sentiment that is slowly voicing itself, the sign of renewing vitality of conscience, auguring hopefully for the future.

[1] Mr. Spencer concludes that trade is, on the whole, growing not worse, but better; that small and indirect frauds are increasing, while great and direct frauds are decreasing.—Essays Moral, etc., p. 136.

This is the order of development natural to an education, gross wrongs giving place to subtle wrongs as an enlightened and re-enforced conscience pushes selfish greed back step by step, occupies successively higher planes of action.

[2] History of Agriculture and Prices.

[3] In the corruption that manifests itself in trade we are all implicated, and for it we are all more or less responsible. Traders are, as a whole, neither better nor worse than other men. We see most strikingly in trade the weakness and immorality of the average man, because there the conditions are the most unfavorable to rectitude. Any special sphere will express the general life.

## VI.

The considerations that should temper our judgment of this lamentable condition point us to the causes of the decay in trade morals, and suggest the therapeutics of reform.

This further inquiry awaits another day. It is enough now if in this thrice-told tale I have at all succeeded in causing you to realize more fully the actual state of affairs. In the general demoralization we all share so far at least as to become accustomed to the daily story of chicanery and fraud, and by familiarity lose that realization of the wrong and the shame on which all hope of improvement must rest. The beginning of better things will be made when business men of intelligence and honor rouse themselves to look facts in the face, and ponder seriously their significance.

Men of business, you have to fight the next great war opening upon the nation. Bodied in no outward institution, appealing not to the imagination in any picturesque wrong, rallying no combative spirit in the breasts of the young and enthusiastic, localized in no section, compacting against it no political creed, rises from the hell of all iniquities the foe that menaces the nation's life; vaguely dreadful as when the great Florentine saw this Geryon, Fraud-Spirit, and described the oppressive presence that haunts us everywhere:

> "Behold the monster with the pointed tail,"
> (Wounding treacherously from behind.)
> "Who cleaves the hills and breaketh walls and weapons;
> Behold him who infecteth all the world.
> . . . . . .
> And that uncleanly Image of Deceit
> Came up and thrust ashore its head and bust.
> . . . . . .
> The face was as the face of a just man;
> Its semblance outwardly was so benign,
> And of a serpent all the trunk beside."[1]

[1] Dante's Inferno, Longfellow's translation, canto xvii. 1–12.

With most significant appropriateness, the gentle Quaker poet—whose mild voice, keyed to sternest judgment-tone by the wrong of slavery, had through the past era sounded in every crisis-hour as the nation's prophet-cry—stood the other day the bard of the Centennial, lifting up our hymn to the God who had caused righteousness and peace to kiss each other ; with instinctive prophet-glance foreshadowing amidst the pæans of peace the incoming struggle :

> " For Art and Labor met in truce,
> For Beauty made the Bride of Use,
> We thank Thee ; while withal we crave
> The austere virtues strong to save,
> The honor proof to place or gold,
> The manhood never bought or sold."

# II.

## AN INQUIRY INTO THE CAUSES OF BUSINESS DEMORALIZATION AND THE REMEDIES THEREFOR.

## OUTLINE OF LECTURE II.

INTRODUCTION.—Study of a Disease Incomplete without Investigation of Causes and Remedies.

I.—Root Cause of Trade Frauds in Individual Man's Weakness and Wickedness—To be Corrected by Individual Improvement—This Root Life Fed by Unfavorable Conditions of Trade.

II.—First Condition : Absence of Proper Trade Governance—To be Corrected by Utilizing Trade Associations in Interests of Morality—Regulation of Lawless Competition to be Sought through them in (1) Better Distribution of Trade ; (2) Some Regulation of Prices ; (3) Establishing Standards of Material and Workmanship ; (4) Formulating Craft Codes of Honor ; (5) Enforcement of such Codes by due Penalties ; (6) Stimulating the ancient Craft Pride ; (7) Fostering a True Business Education.

III.—Second Condition : Economic State of the Country—Demoralization Caused by an Irredeemable Paper Currency—To be Corrected by the Restoration of a Sound Monetary System.

IV.—Third Condition : Political Corruption, Pecuniary and Fiduciary, Tainting Body Politic—To be Corrected by Purification of Political Life.

V.—Fourth Condition : Society's Harmful Influence (1) As Buyer, Seeking Cheapness ; (2) As Orderer of Fashion, Keeping up Habits of Extravagance, Doing Homage to Wealth—To be Corrected Chiefly by Woman's Care in Buying—Her Earnestness in Promoting Simpler Tastes and Higher Standards.

VI.—Fifth Condition : The Church's Wrongful Influence—Her Unmoral Religion—Her Withdrawal from Practical Affairs—To be Righted by Making Religion the Ethical Inspiration of Society.

VII.—Conclusion.

A STUDY of any disease includes not only the definition of the malady, and the forecasting of its probable course and issue, but also the history of its causes, and the prescription of its treatment. Our inquiry into the morality of trade would be so incomplete as to have little practical value, if it yielded us only a knowledge of the nature and extent of the disorder which shows itself in business, and enabled us to do nothing more than prophesy its course and consequences. Gloomy prognostications are cheap tokens of vaticination. The rôle of Cassandra is easily acted. True prophecy, discerning causes, declares the secret of restoration, and opens its second part always with a "Comfort ye."

All know the evil in trade which so few realize till a careful report is made to them, and all discern at once, on such a realization, that which I have therefore taken no time to prove, that such a cancerous evil in our body politic, unchecked, must poison the blood and eat out the life of the nation. That which it behooves us to seek is an intelligent comprehension of the causes of the fraud that has established itself as an endemic disease in our land, of the decay of the fine sense of honor which is emasculating our business virtue, and also a correct prescription of the treatment to be pursued with a view to the restoration of normal health to the morality of trade.

The raising of such an inquiry indicates its character. If we believed that our present demoralization was the result of sheer depravity, there would be no propriety in

asking its causes, no use in trying to estop it save by a resource to the immediate and miraculous agency of The Power alone capable of transforming the nature. Any effort other than prayer would be a futile impertinence.

The weakness and wickedness of man do of course form together the trunk-root of this fungus growth ; but the soil, the atmosphere, the total environment, supply here, as elsewhere, the conditions determining that development. "Interaction of environment and organism" is the scientific formula for all growth. And it is amongst the elements of that environment, the circumstances which can be changed and so made to bring forth from the seed different fruitage, that reform everywhere must search, in full hope that there miracles can be wrought.

## I.

To begin, however, in the true beginning, we may as well recognize, and not with utter despondency, that our business immorality does root itself in the weakness and the wickedness of the individual man.

Whatever of selfish desire there is in men expresses itself in the craving for money, the representative of all pleasure and power the world affords, the master of all service, the usher to all delights. Men fix their eyes upon wealth as upon the one supreme ambition of life. The passion for gold possesses them. And it is a piece of practical wisdom as sound now as when written by a sage observer of a great commercial community of ancient times, corrupting under the greed for money—"He that maketh haste to be rich shall not be innocent." In the race for riches, scruples are heavy ballasting, and when a man falls behind he will be almost irresistibly tempted to lighten his load. Business men who surrender themselves to the absorbing pursuit of money must expect to find the vision of the right grow

dim, the sense of wrong deaden, conscience suffer deflections, and thus to sink unshocked into habits of equivocation and deceit which ripen into fraud. Money-making is the severest test of principle. The heats of that struggle develop defects which would else have never come to light. If there is a flaw in the soul, it will discover itself in this crucible. It needs no exaggerated doctrine of "total depravity" to prove that men, weak and ignorant and selfish, are apt to fall under temptation. Social reformers who would strive for the purification of trade must begin with the principia of Christ, and seek the inspiring of individual men with higher, stronger life. "Let each one mend one, and all will be mended."

Nor does this beginning postpone the day of better things to the millennium, when all are to be good. Public sentiment, the mental and moral atmosphere, is the chief factor in the average character. The environment determines most men.

Opinions, beliefs, and sentiments are inbreathed, and men are what the all-surrounding spirit makes them. Public opinion is not, however, a mere arithmetical aggregate of individual atoms. It is the resultant of personal forces measured qualitatively rather than quantitatively. The mass of men are negatives in the world's battery. It is the few who charge every sphere with its positive forces, whether for good or evil. Minorities have their due rights in Nature's social organization. The positively unprincipled are a minority in the world of business, yet they have succeeded in creating a public sense which depresses morality, by exhausting the atmosphere of its ethical element, the moral oxygen.

The majority of honesty could surely do as much *for* morality if equally determined. If men gravitate by their lower nature into immorality, they are in their higher nature aspirant. There is that in all men which naturally

and spontaneously draws them upward towards purity and goodness. Every pure man with whom we come face to face breathes within us that rarer air which floats us above the level of custom. A spirit of honor emanates from high-toned men which insensibly charges the atmosphere with vitality, and all around draw larger life and feel the moral oxygenation. Example is infectious. Purity is contagious. And thus every true man may make his own personal influence a centre of health-giving virtue. And together, if in earnest to purify trade, good men must combine their action into many-plated batteries of moral force, at once to vivify others and to reconstitute the conditions which now spontaneously develop fraud.

## II.

The first of these conditions of modern business favoring fraud is the almost total absence of any organized effort in trade to keep its customs pure, the disuse of any government by the various trades, the failure thus to voice the law of honor in ordinances of traffic. The lack of this self-government in trade is patent; its consequences direful. But our "science of buying and selling" has taught men that the normal order of trade is that, except in so far as its customs come in to conflict with the criminal law, it should not be interfered with in any way. It has defined the best government as that which exerts the minimum of regulation, and formulated its theory in *laisser faire*, the "let-alone policy." In its distinctively economical aspects it is not for me here to call in question this doctrine of masterly inactivity. Natural laws may be better orderers of the *interests* of traffic than states or associations. But they can not be the best orderers of its morals unless all social government is a stupendous mistake. Everywhere, in all ages, the fact has been recognized that men do not go

right by mere natural laws. Restraint, education, is needful to keep society decent. It can not be best to allow the grave ethical problems of traffic to drift to an issue under the force of conflicting currents of greed and strife.

In nature and in society natural laws are directed by intelligence, divine or human. If the laws which character alone discerns are supreme in trade as elsewhere, character must voice and arm those laws. Here, as in many another instance, Scripture gives the key to the problems of political economy. The ideal of the future may be that wherein outward law interferes as little as possible in society, as economy teaches ; for this is but the echo of the wisdom that has taught us that the kingdom of heaven, God's order realized on earth, shall have the law written in men's hearts. But that order is reached, not by the absence of any external law, but by a very positive law written on tables, which holds men up to duty till it educates them into dutifulness, and only is abolished by the coming into actual reign of the law-making power within ; external, juridical law preparing for internal, natural law. The more men of business agree with economists in refusing the state interference in trade which such masters as Carlyle and Ruskin call for in the interests of morality, the more are they bound to strive for some real moral government in trade itself.

The natural organizations for such an influence upon trade must be furnished within itself. They already exist in the great trade associations, corn exchanges, produce exchanges, manufacturing associations, chambers of commerce, etc., needing only to be utilized to higher ends. The trade guilds were enormous powers of old in the communities of Europe, not only in the spheres of civic life and national politics, but in every department of social morals. Those guilds exercised a real government in their respective trades in the interest of morality. They held each its own craft up to a fair standard of workmanship ;

regulated prices; supervised all customs of the trade; formulated a trade code of ethics and punished violations thereof; made and voiced a public sense which discouraged fraud and fostered the spirit of honor; cultivated a noble pride in the craft which raised men above the temptations born of sordidness; ordered the general conditions of trade favorably for morality. We still need some such government in business, and our trade associations, without servilely copying the methods of their prototypes, which indeed would be impossible, might certainly imitate their aims. How many of these associations set up any code of conduct for the trade, exercise any censorship over its customs, ordain any standards of workmanship, attempt in any way to limit prices, or aspire in any way to make themselves practical legislatures for their respective trades?

Without going into details, and in the most modestly suggestive manner,—hoping only to start thought in the minds of those familiar with the business mechanism, and competent thus to criticise its workings,—I shall venture to offer some idea of what, as it strikes an outsider, these trade associations might find it feasible to do in the interests of morality.

The prime cause of business demoralization, it behooves these associations to consider, is the fierceness of competition; to remedy which we must have recourse to the development of the very principle organizing the associations, "co-operation."

Co-operation signifies as well association for the common good amongst masters or traders, as a fellowship of interest between employers and employees.[1] If between classes it is

[1] "I use the word [co-operation] in a far wider sense [than the usual], as opposed not to masterhood, but to *competition*. I do not mean by co-operation that all the master-bakers in a town are to give a share of their profits to the men who go out with the bread; but that the masters are not to try to undersell each other, nor seek

the need of the day, in order to the pacification of the long and bitter strife of capital and labor, amongst the same class it is no less demanded, for the ending of the trade warfare in which each man is for himself and against every other man, to the general loss and the common woe.

The great centres of trade are overcrowded. There is no power operative to estop the increasing clogging up of the avenues of traffic by the multitudes who swarm in each other's way, save the merciless working of natural laws thinning off over-population by death, the trampling into financial destruction of the weak under the heels of the strong ; no authority exercised to regulate by any code, save that of absolute criminality, the wild warfare which inevitably arises in bread-winning, when for every loaf staked ten empty hands reach hungrily forth. That under such conditions men should become selfish, greedy, unscrupulous ; should resort to immoral shifts to draw trade to themselves ; underselling competitors by lowering grades, adulterating materials, shortening measures, skimping weights, in a strife necessarily growing ever fiercer and more lawless, promising immediate success to the least scrupulous,—all this is only natural.[1]

each to get the other's business, but are all to form one society, selling to the public under a common law of severe penalty for unjust dealing."—Time and Tide, p. 4, Letter I.

[1] "Go where you will, in town or country, you'll find half a dozen shops struggling for a custom that would only keep up one ; and so they're forced to undersell one another. And when they've got down prices all they can by fair means, they're forced to get them down lower by foul—to sand the sugar and sloe-leave the tea and put—Satan only that prompts them knows what—into the bread ; and then they don't thrive—they can't thrive ; God's curse must be on them. They begin by trying to oust each other, and eat each other up ; and while they're eating up their neighbors, their neighbors eat up them ; and so they all come to ruin together."—Tre garva in Chas. Kingsley's Yeast, chapter xv.

Until lately it would have seemed an economical heresy to impugn the altogether divine character of the principle of competition. Its powerful and necessary stimulus to business, and thus to societary progress, remains unquestioned. But larger wisdom is teaching our later political economists that unchecked competition, so far from inaugurating the millennium, is bringing upon the earth a hell of fierce and selfish strife between individuals, classes, and nations; an Inferno of sordid corruption, to escape from which we are learning, of that Spirit guiding men into all truth, the new gospel of economy, association, co-operation, regulation in some way of individual and class competition for the common weal.[1] Natural science is teaching social science that the basic motivity, selfishness, must be ranked by the higher motivity, association, in order to the development of any noble order of existence.[2] Trade associations might supply an overseeing of their respective crafts with a view to the common good in the common goodness; ordering a code of strife for the business field as has been found necessary on other battle-fields; mitigating the present lawlessness and estopping the demoralization

[1] In this the free trade and the national schools of economy agree, and Mr. Mill and Mr. Carey are at one.

[2] "To live in the commercial world it appears necessary to adopt its ethical code; neither exceeding nor falling short of it—neither being less honest nor more honest. Those who sink below its standard are expelled; while those who rise above it are either pulled down to it or ruined. As in self-defence the civilized man becomes savage among savages, so it seems that in self-defence the scrupulous trader is obliged to become as little scrupulous as his competitors. It has been said that the law of the animal creation is, "Eat and be eaten;" and of our trading community it may be similarly said that its law is, Cheat and be cheated. A system of keen competition, carried on as it is *without adequate moral restraint*, is very much a system of commercial cannibalism. Its alternatives are—use the same weapons as your antagonists or be conquered and devoured."—Herbert Spencer, Essays Moral, etc., p. 134.

resulting therefrom ; binding traffickers together for the discountenancing of those immoral customs which make success harder for all and well-nigh impossible for the scrupulous ; not enfeebling competition in any legitimate activity, building up no oppressive monopolies, surrounding trade with no restrictive compresses, but, by a wise system of dyking, guiding the desolating overflow into fertilizing streams.

(1.) To this end these associations could use their influence towards a better distribution of trade. At present in the *laisser-faire* system, every individual goes where he will, unadvised by any competent authority as to where he is really needed, which is to say where he has a chance of honest success. Increasingly, therefore, under the subtle attractions great cities hold out, men flock into the already overcrowded centres. There is no real overcrowding of the world taken as a whole.[1] With one or two possible exceptions, there is no national over-population. We suffer from local plethora, which, of course, implies elsewhere local depletion. The pressing problem of the business world is distribution.

When in the southern shires of England labor was elbowing itself into terrible demoralization, a wise clergyman started a stream of laborers northward, where "brawn without brain" was at a premium, and Canon Girdlestone made his name famous, not merely for an industrial trans-

[1] Mr. Carey's noble contribution to the more Christian inasmuch as truer economy of the future, in the refutation of the English doctrine of the order of the earth's settlement with its terrific sequel of an earth doomed to ever-increasing over-population, has established scientifically the denial given before by Englishmen like Carlyle and Ruskin to the orthodox theory of population. It is curious to note how English economists ignore the exhaustive collation of facts by which Mr. Carey established his position, or, when they treat it, miss the main points in the argument as Mr. Mill did.—Polit. Econ., i. 529.

formation of those southern counties, but for a moral reformation no preaching could have effected. Something of this improvement might at times be wrought in many localities, amongst the higher ranks of traffic as well as among laborers, if there were any competent headship in our trades. Of course trade associations could have no power to this end beyond that of an advisory council. They could prevent no man from crowding into New York, but they could deter and dissuade many from so doing, and, with any inter-local relationships amongst these associations, could turn the attention of applicants for membership to openings in other localities. Men are, on the whole, open to reason. We laugh at Horace Greeley's "Go West, young man," but how many a young man his advice saved from the moral ruin awaiting a hopeless struggle in New York! Without vainly attempting to withdraw from natural laws the assignment of the limits of any trade in a city, might not associations do vastly more than individuals in facilitating the operation of those laws, by diffusing information and extending counsel and even aid in accordance with the indications of their actual workings?[1]

[1] The task of distribution of course needs to be carried still farther. Both schools of economy agree, as do all practically acquainted with business, that the sphere of trade proper is overcrowded. Mr. Mill declares that trade supports in the functions of middlemen, traders proper, an exorbitant proportion of the population.—Polit. Econ., i. 508.

Mr. Carey owns trade a necessity, but considers its decrease would be a benefit to society.—Manual Social Science, p. 136.

How to diminish traffic by turning into production, agriculture and its allied occupations, manufacturing etc., a portion of the vast host now engaged simply in exchanging, is a big problem not falling within the lines of this ethical inquiry. Though whenever we get our trade associations heartily busied with the moral ordering of their various departments, it may not seem wholly impracticable for them to stimulate interest in the avocations we need pre-eminently to develop scientifically, and thus relieve the overflow of waters in trade's

(2.) These associations could in a general way attempt some regulation of prices, in the utter absence of which, save as afforded by supply and demand, lies one of the large factors of our demoralization. The wide variation of prices which prevails in New York in different stores dealing in the same line of goods, the outgrowth of excessive competition, leaves it open to any dealer to ask what he can get. In a rough way the natural working of the market creates an average and fair price in any line,[1] but with a wide margin for extortion.[2] No man's conscience is so strong as not to need the fortifying of restraint. The wider the variations, the greater the temptation put upon dealers. It seems to be tacitly assumed that there can be no other regulation of prices than the elastic limitations of supply and demand. In stationary societies it is easy to fix prices by governmental edicts, guild orders, or the unwritten law of custom. Progressive societies, moving forward under the stimulus of competition, can attempt no artificial interference with the natural workings of the market by government. Law is too clumsy a mechanism to regulate competitive business. Custom will only avail in small cities, where competition is moderate, to determine prices without injury to business and with manifest

channel by facilitating the diversion of a part of the current to other fields.

[1] "By the normal price of a commodity I mean that price which suffices, and no more than suffices, to yield to the producers what is considered to be the average and usual remuneration on such sacrifices as they undergo; and the statement is that the supply of each commodity tends to adapt itself to the demand at this price."—Cairnes's Political Economy, p. 41.

[2] It is sad to see so high-toned a writer as the late Prof. Cairnes take the ground that in wholesale trades prices are open fairly to any extortion the seller may succeed in working off, inasmuch as, the market prices being easily knowable, it is the seller's fault if he allows himself to be cheated.—Cf. Cairnes's Polit. Economy, p. 112.

benefit to morality. But surely the ingenuity of man can devise some agency for steadying the variations of prices in cities where competition is active, while leaving that competition healthfully free. Man's greed causes perturbations in the workings of economic laws, and man's wisdom must secure their truly natural operation, and, without interfering with the mechanism of the market, facilitate the equilibrium of normal prices towards which it ever tends.

Is it not possible for trade associations in some way to draw within the natural oscillations of the market figures which should leave trade free enough for any normal life, while lessening its abnormal variations? We have now in our morning papers tables of prices current, a kind of price probabilities for the day. Would it be altogether utopian for our great central bureaus of trade to carry this attempt at steadying prices a step farther, and announce in daily or weekly bulletins, as made up from these reports of prices current, an authorized standard of price for the day or the week; giving maximum and minimum figures for fair prices, leaving thus ample room for incidental variations; and then hold the members of the associations to conformity to these official standards? This would serve at once as a guide to buyers and a warning to sellers. It would reduce to a minimum the opportunities of overcharging, and lay "smart" dealers open to presentment before their associations on accusation of fraud. The powerful restraint this would exert upon cupidity is patent.[1]

(3.) These associations could very properly set up standards of material and workmanship, and grade products and works according to these official standards. At present the absence of any such standards in most trades encourages fraud directly. A dealer may entitle his wares wholly

[1] This, of course, in the good time coming, when a sound monetary system gives a natural stability to values.

beyond their merit, and there exist no official criteria of his claims.

(4.) In general, these associations ought to formulate codes of honor for their respective crafts, and create thus a common law of trade morality.

(5.) To give effect to any such attempted regulation of prices or material or workmanship, to make operative any such code of honor, these trade associations should have the power of the sword. There is now in most lines of trade no authority short of the law to adjudge and punish fraud. The public sense needs voicing to render it a real power. Feebly whispered here and there by individuals, it has little influence. Articulated in trade codes, bodied in associations vested with powers of judgment and punishment, it would have immense influence. The Stock Exchange expels a member for certain offences against its code of honor. This is the recognition of a function latent in all these associations, and imperatively needing to be systematically developed. Manufacturing associations, for example, establishing standards of material and workmanship, could punish frauds in quality or quantity or make with public expulsion, which would mean ruin to the guilty firm.[1]

(6.) These trade associations could stimulate that laudable pride in their vocations which actuated the ancient guilds and expressed itself in those noble halls, at once the monuments of the old trade spirit and of Gothic art in its healthiest life. This pride in the life-work would of itself be one of the surest preventives of the demoralization which prevails to-day in communities where the one ideal of every craft and trade is money-making. When a well-known publisher of this city takes pride in the thoroughness and

[1] As a hint from actual business life of what these trade associations might do in the line advocated, see extract from one of our dailies.—Appendix H. Action of a Trade Association towards the Prevention of Fraud.

elegance of his bindings, another in the typography of his pages, a third in the calibre of the books bearing the firm's imprint, in each case compensation being found for smaller trade and lighter profits in the work done and the name won, we see how far trade pride can lift men above the temptations haunting the business where profit and loss is the sole estimate made of the life-work.[1]

It would thus become possible really to regard business as a *vocation*, a calling of inherent dignity and moral responsibility, and to enlist in it the higher motivities of the nature. Men never will rise higher than their ideals. If a man enters business with no nobler aspirations than the annual balancings, it will be carried on solely with reference to those balances ; which in the average instance will mean dishonorably. If men's tastes find therein their gratification, if their work is seen to bear on human welfare, if their daily occupations are recognized as part of the divine ordination, fitting into the great social mechanism which is slowly turning out a better world, imposing responsibilities to God for the manner of their doing, enlisting the sense of duty in their routine tasks, inspiring them with religiousness—they are panoplied against the temptations born of greed and sordidness.

When, for example, manufacturers shall see that feeding or clothing men is really a noble life-work, quite as honorable as slaughtering them; that the mastership of a great industrial establishment is the true modern lordship, imposing the responsibility of caring for the bodies, educating the minds, and ordering with paternal government the conditions of

[1] The *Evening Post* announces the creditable fact that the makers of the Bryant Vase, Messrs. Tiffany & Co., accepted the $5,000 which had been subscribed for that work as payment in full, although it cost them a trifle over $11,000, saying that they were very glad to take payment for the rest in their satisfaction at being able to keep up, by this noble piece of work, the credit of their craft.

life of Capital's vassals, yielding that highest of all satisfactions which power beneficently used affords ; when the ambition of true kingship shall fire these industrial suzerains and lead to the founding of such communities as, thank God, are springing up in England, France, and our own land, communities truly as bound together by the divine principle of association, the Christly law of fellowship, co-operation in some of its manifold forms,—sermons on the morals of trade will not be much needed in one department of business.

(7.) These associations could foster a nobler business education than that now given. We have our business colleges, but their instruction is simply in the mechanique of clerking. A young man learns book-keeping, penmanship, etc., and this routine part of his life-work is all upon which he is enlightened. There are interesting aspects of all our great trades and industries : their histories, their representative men, their processes, their social relations ; but what of all this does the embryo clerk hear ? It is possible to gender in the young mind that noble pride in the chosen life-work of which I have been speaking, but where is this attempted ? Our Christian society in its leading avocations makes not the slightest endeavor to train its youth up to any conception of them as vocations, callings of God ; invests them with no interest beyond their profits, and then wonders that young men turn out sordid !

Of course no higher education will ever enter the curriculum of our business colleges while they remain purely money-making branches of business. If trade associations founded and sustained such institutes, they could be made to culture the larger manhood trade needs to enlist in its service, if only for its own purity.

Much of the prevailing immorality of business is due to the total lack of any specific education of the conscience. A slight knowledge of equity jurisprudence, its distinctions

and definitions, the *suppressio veri*, the *suggestio falsi*, etc., would open the eyes of many a young man to the real character of the prevalent customs of trade, and render his conscience clear and positive where without this light it would guide him uncertainly, and leave him to stumble into the pitfalls business digs on every hand.[1] In the trade association colleges which the future may see, our children may find, as part of the provision for a true business education, instruction in the ethics of trade, popular presentations of the bearings of equity law upon the casuistry of the manufactory and the store, the office and the exchange.

Artisans need for their deliverance from the low tone of honor prevalent amongst them, the ennobling of their daily toil which comes when it is lifted out of the machine-like task it must always be till its processes are understood, its relations to society appreciated, and the individuality given room to assert itself in the work.

A larger manhood, having intelligent pleasure in its work, will vivify the conscience of labor. When the artisan is taught to be the artist, as in the days of the best art he was, covering the Gothic cathedrals with the rich play of his imagination ; as in the highest industries the world is learning that he must again become, the spirit of honor may once more inspire labor.[2] Can our manufacturing associations do nothing towards this end? The movement towards the artistic education of some lines of workmen is already well started, and wise manufacturers will not be slow in discerning that it is to their individual interest to foster the æsthetic culture of their own employés, as some of the great English establishments have

[1] See Appendix I. Equity Jurisprudence on Trade Customs.

[2] Cf. lecture by Cardinal Wiseman on "The Artisan and The Artist."

For connection between mental cultivation and moral trustworthiness in the laboring classes, see Mr. Mill's Polit. Econ., i. 148.

found a necessity to competition with Continental houses. To the associations we must look to stimulate a larger culture of labor in some way, by the discussion of the subject, the diffusion of guides to workingmen in such self-education as bears upon their respective industries, the creation of rewards and premiums for the successful carrying-out of such studies ; perhaps even the founding of industrial colleges, or the development of what now exists as the germ of such popular institutes in the workingmen's clubs growing amongst us, with their prospectuses of lectures and evening classes.[1]

## III.

There are larger and wider rootings of this present demoralization, out amongst which reform must reach. That demoralization is largely due to our economic condition. Men must surely be very slow to learn some of the simplest axiomata of social science, or our citizens would not to-day be so hard to convince of the essentially moral character of the financial problem before the nation.

Up to the war our monetary system was simple and sound. The legal money of the nation consisted of the precious metals. In addition to gold and silver, and the necessary pieces of metal smaller than the lowest coin, there were, it is true, bank bills circulating through the country and giving the appearance of a paper money. But these bills were in reality simply orders for money, used just as bills of exchange, notes of hand, checks or drafts, for convenience. They represented, except where fraudulent, as in many Western bank issues especially, actual wealth, were certified valid by the hypothetical possession in the bank's hands of real money or *bonâ-fide* prop-

[1] See Appendix J. Ruskin on Trade Guilds

erty to the extent of its paper issue. Intelligent people did not mistake them for money. They fostered no delusion of false wealth. Being naturally limited thus by their relation to actual wealth, they were not subject to artificial expansion and contraction, with the consequent uncertainties in value, unsettledness of trade, and general speculative spirit an artificially-regulated currency always creates. Not being taken for real money, they could not breed the demoralizing notion that money can be made by a printing-press in such quantities as desired, and debts be paid by slips of paper promising to pay in the future. With the war came an imperative necessity for the nation. The government must carry on the struggle for its own preservation. To do this at the enormous cost involved it must have extraordinary supplies of money. It could not build ships, forge cannon, hire soldiers, clothe, feed and transport them, without the means of payment for the material and labor it bought. Several resources were open to it: loans from capitalists, represented by bonds issued; revenue from increased taxation; purchase of goods and hire of labor on credit. This last resource was the issue of the greenback paper, the government's due-bills. The governmental departments proffered these in negotiating bargains, and the people, having faith in the government, accepted them unhesitatingly, and freely parted with their labor and their goods on receipt of these notes of hand. The immediate effect of the heavy orders thus made upon the labor of the country was to give an immense stimulus to many forms of industry, and in the payment of these orders to start into circulation a great volume of governmental paper, accredited by the country good for use as credit-money, and thus to give a sense of abundance which quickened general activity of trade. The consumption and destruction being on such a huge scale, the demand was correspondingly great. It was a period of preternatural activity. The

circulation was rapid indeed, but with the flush of disease rather than the glow of health.[1] Fortunes were made by the most daring. A spirit of extravagance was gendered which spread everywhere. Venturesomeness being so often success, men became fascinated with the spirit of adventure.

The issue of paper not being in any ratio of wealth accumulated, coin stored or property held, but rather being in the ratio of wealth lost, departure of coin in foreign purchases and consumption of its equivalent products through the ravages of war, the relation of greenback currency to real wealth, represented by gold, real money, became an inverted proportion. With the earlier issues this disproportion was slight, but, as they multiplied, the volume of currency came to represent an ever-heightening debt secured by ever-shrinking assets, and the sign of this relation was the difference in gold values and paper values.

As the chances of war fluctuated, this ratio of values rose and fell barometrically. When the government was successful, its credit rising, the notes of hand it had issued gained in estimation. As the government was unsuccessful, and the probabilities of their redemption diminished, these due-bills lost value. This fluctuation was incessant and wholly unforeseeable. Thus all business carried on upon

[1] In this simple distinction lies perhaps the secret of the strange aberration of Mr. Henry C. Carey and his disciples upon the currency question. This country has given birth to no such student of economy as Mr. Carey. Apart from his special theories, his profound researches, his original discoveries, and his noble spirit should give him a high place in our honor, whereas, because of his special theories, his opponents affect to disregard him. In finance he has unfortunately given foundation for the school whose notions, carried out beyond the master, are working so much mischief. And the switch where Mr. Carey turns astray is his favorite analogy of currency to arterial circulation. While a free circulation is health, he seems to forget that over-circulation is disease.

credit, as the greater part of American enterprise has always been, took on the nature of speculation. Men had to guess what the relations of gold, through which importations were made, and greenbacks, by which home trade was carried on, would be at the date of their bills falling due. Every purchase, every sale, took the form practically of a bet upon the value of the nation's notes of hand at a given date in the future. The most important feature of all transactions was pure chance. Business calculations became mere guess-work. Trade degenerated into gambling. The taste of gambling thus had by all intoxicated men. People were fired with the desire of making money by lucky hits. Everybody had in abundance what everybody took for money, and everybody wanted to put it where it would do the most good. Not confining themselves to the agency of legitimate transactions into which gambling perforce entered, the bolder spirits threw aside the awkward mechanism of trade, closed their stores and offices, and went upon the street; using the verbal forms of traffic in fictitious bargains never intended to be carried out, to give respectability to their actions, betting really on the value of the nation's due-bills at a given date in the future ; and speculation pure and simple became a recognized department of business.

The utter demoralization of all this might easily have been foreseen. It is felt now in every branch of business. There is scarcely a line of trade which does not have to gamble in its bargains. The young are possessed with the mania of seeking wealth without paying the equivalent of hard work, which can only mean gambling or stealing, and is likely to mean, as we so often see, the one leading to the other. Real business is slow going for the most part, and does not satisfy the fevered appetites of our people. They are not content with gradual accumulation of moderate fortunes. They hunger for the very excitement of gam-

bling. They will risk largely in the hope of winning prizes in the lottery, and missing must recoup themselves in some way or fail; and hence the embezzlements and peculations with which our papers teem, made generally in the expectation of repayment upon more successful ventures, and thus leading unfortunate men on to the final catastrophe of defalcation and absconding.

Nor has this been all the evil. While these national notes of hand were recognized as merely such, men could scarcely think that they constituted national wealth. They were not identified with money, except on the assumption of the nation's faith and ability to make them good eventually for their face value in gold. To encourage the people in accepting them, and to remove the stringency in circulation created by timidity's hoarding of gold and silver, the government officially recognized the necessity to use these credit papers in lieu of money by declaring its promissory notes legal tenders, tokens permissible in payment of all debts between individuals and all governmental obligations except interest on the public debt.

While this was regarded as a mere certifying of checks by the governmental banker to give them freer acceptance in the emergency, "paper" passing in lieu of real money in the commercial circulation, a necessary part of that accepted order of business which utilizes all tokens of good credit, checks, promissory notes, etc., supplying the demand for some circulating medium to eke out the volume of gold and silver, no harm came of this action.

But, with the vagueness which seems to gather over all relations into which the state enters, the confusion never possible in a sane and honest community between good "paper," used for business convenience, and real money began to manifest itself. The sole condition of acceptance of any credit money, the ability and readiness to redeem in coin or property, was by large numbers no

longer hypothecated of the government due-bills, and the country discussed the question, not as to when and how the nation's notes should be redeemed, but as to whether they ever needed redemption ; whether, notwithstanding that the face of every government note read "the United States will pay the bearer —— dollars," there was any obligation to pay any thing. Both political parties began to truckle to the school whose central article of faith, stripped of all verbiage and intentional or unintentional sophistication, really read that the government, asking for service and supplies in its need and hiring and buying them on credit, should consider that outstanding credit, not as a debt, but as wealth ; should make no provision by wise economy and judicious fostering of production towards the redemption of its promissory notes, but should say to all holders of its paper, "My paper is good for use on the market, use it, and let us call it square;" repudiating its debts because of the trust in its solvency and honor on which they had been run up, proffering its promises to pay as payment. Financiers who ought to have known better, and demagogues who, seeing an opportunity of popularizing themselves, did not care to know better, added to this rare political dogma the conclusion that these promises to pay were equally good in payment of the nation's bonded debt, though that was expressly stipulated to be payable in gold ; and papers and politicians went wild over this practical repudiationism. Statesmen (!) gravely propounded the remedy for business depression of Prime Minister Mammon in Shelley's "Œdipus Tyrannus":

> "Does money fail? come to my mint—coin paper
> Till gold be at a discount, and ashamed
> To show his bilious face."

In short, that which always had been deemed dishonorable criminal even in individuals, was set up as the proper

action of the corporate personality, the state, upon which government acted in taking no steps towards meeting its obligations.

The immorality always resulting from unreality, from even the most ignorant confusions of the ethical principles involved in practical matters has been thus made manifest. The mind of the country is to-day bewildered; its conscience does not point truly. Charging no bad faith upon the people, but only the deflection of conscience resulting from wrong ideas, the demoralization is none the less a reality.

Immorality may have its source in mental aberration, though fed from the heart and the will. A legalized paper currency, accepted, not as credit tokens in lieu of actual money, but as money itself, has trained a generation in the confusion of fictitious and real worth, in the substitution of hypothetical values for solid values. It has accustomed people thus to living with reference, not to their real money-valued worth, but to their unstable currency-valued worth. It has directly educated men in the delusion we have Mr. Mill's authority for regarding as one of the gravest dangers attending our modern industrial civilization, that credit is capital;[1] necessitating as it has done their acceptance of the nation's credit for its money, and thus habituating all to regard their own credit as equivalent to real worth; leading them to shape their expenditures by expectations instead of by possessions, to live ahead of their means, with the inevitable sequences, extravagance, recklessness, temptation, ruin. It has resulted in the state of things we see in our midst—a city covered with mortgages, ownership of our homes come to mean one third proprietorship, our churches models of inflation, mortgaged far beyond their market value, carried on, therefore, under financial strain injurious to spiritual life and work, to the glory, not of the

[1] Polit. Econ., ii. 50.

God whose name they bear, but of the insurance companies to which, at the priestly hands of the lawyers, they are consecrated.[1]

We are reaping the harvest other nations have garnered from the same sowing. The story of the French *assignats* anticipated our lamentable experience. There will be no healthy business life, no sound morality in trade, till the country is educated into intelligent discernment of the ethics involved in its financial policy, and braced up by conscience to act rightly at whatever cost of immediate hardship ; till reality underlies our money and our property, and we get down from the cloud-land whither inflation has borne us so pleasantly, upon the solid ground; till the uncertainties of business are reduced to their normal point, the element of chance practically eliminated, and it becomes possible to make bargains without guessing, betting, and gambling; and the fever of speculation subsiding, calmer and more rational life returns to trade, soberer dreams fill the minds of men, and they settle down to the one only way of building up during fortunes, work.[2]

It is in vain that the pulpit preaches sobriety while the

[1] Of all the churches built within the past decade in the new West End, few are under less than $100,000 debt, while in some instances the debt amounts to $200,000, and even in one or two cases to $300,000. All denominations share in this inflation. One who made a visit of inquiry to the churches in that section, reported them as nearly all bowed down by heavy debts. The management of some of these corporations is such as to reverse the saying of the Master, "The children of this world are wiser in their generation than the children of light."

[2] A text on which Broad street preaches a good many sermons annually is, "As the partridge sitteth on eggs and hatcheth them not; so he that getteth riches, and not by right, shall leave them in the midst of his days, and at his end shall be a fool."—Jer. 17 : 11.

intoxication of speculation is stimulated by the very conditions of trade ; in vain that it exhorts to the prudent virtues which afford the foundation habits for honesty while traffic creates the habits of recklessness and extravagance which engender fraud ; in vain that the church tries to educate the youth of the land in honor while the state confuses conscience and unsettles principle, and the noblest school of practical life, politics, trains the inner light to blindness till men scarce know right from wrong.

In the interest of morality we must educate the people to an intelligent comprehension of our financial problem, and illumine the conscience of the nation to discern that one of its great political issues is essentially an ethical question, the roots of which are to be found down among the laws of righteousness, the outcome of which is to be traced in the morality of the land.[1]

[1] Without specifying authorities for the various statements in the above section, which would have been to overburden the pages with references, as almost every point is in one way and another questioned in the loose financial discussions of the day, it will be sufficient to note, as it is wholly unnecessary to do for those at all familiar with the subject, that the positions taken are those of the orthodox economists as represented in their leading writers.

It will be plain to the reader that nothing more was contemplated in the above discussion than the strictly moral aspects of our financial problem. Nothing more was pertinent to the inquiry on hand, and for nothing more was any competency felt. The appearance of dogmatism must be regarded in this light. Concerning the technical questions of so subtle a problem dogmatism anywhere is an impertinence, but as to the moral bases of the problem one has to be as dogmatic as in saying one and one make two. Perhaps men will come to see that, as in many another perplexing puzzle of life, the clue to the problem is a very simple matter of right action. Let the nation once ask what is right, prepared to do it if possible, and a vast deal of theorizing and angry controversy will come to an end. That this is not the talk of a sentimentalist the appended extract from an address of a high authority in finance, lately given, will show.—

## IV.

The economic state of the country, in which lies one of the prime elements of our present business corruption, is thus seen to be itself symptomatic of a deeper ill. The disease in the body politic mounts to the head. The government, which should be the life of the state, disorders the organism, lowers its tone, perverts its every action.

Politics of course were never with the majority of men an ideal pursuit. Love of power swayed unconsciously the higher natures, love of place and profit prompted the lower souls. But with all their faults the politics of our earlier days were, on the whole, high-toned. The fathers of the nation were statesmen, intelligent, cultured, principled. Politics drew to them the leading men of the country. The government compared favorably in efficiency and character with that of any other land. There were national and local causes slowly working the deterioration of politics in a natural manner, but the first serious blow at the dignity and purity of our governmental life was the introduction of the principle of rotation in office. The spoils-of-office theory once put into operation in national government, politics were poisoned at the heart.

Office made the prize of partizan labors discharged the sense of trusteeship, alienated ability and character from the public service, attracted to it the host of men who live by their wits, built up a class of professionals in politics who looked to office-holding as their support, trained this class of adventurers in the mechanism of politics, and developed thus by degrees a fungus order in American society, an oligarchy of politicians who came to possess and administer our government as tyrannically as did the Thirty in

Cf. Appendix K. Mr. David Wells on the Ethical Key to our Financial Problem.

Athens. Politics became a trade, a mere branch of money-making for the unscrupulous, a respectable workhouse for the unsuccessful; parties, the convenient mechanism of business for these schemers. The sordid and the venal gravitated to this new opening for the rare opportunities of enrichment it opened.

With the war this system started into gigantic proportions. It seems to be the divinely-ordered curse upon warfare that, howsoever necessary, howsoever noble, it shall leave after it, in conqueror and conquered, a certain moral atony, shall stimulate by its inevitable conditions a rank growth of corruption. Even the most holy blood patriotism sheds fertilizes fraud. Our war caused vast amounts of money to pass through the hands of public officials. Venal men flocked to the positions through which flowed the bounteous streams so easily tapped and drawn aside to private grounds. The nation could not watch its pockets while both hands were busy parrying mortal thrusts. Nor did the public hold to a strict account those who were capable of serving the supreme need. In danger one is not scrupulous as to the rescuers. The public condoned official stealing in the loyal and able. Men rose to popularity on "the cause," whose private characters would not bear scrutiny. Rogues and scalawags found themselves converted into good men by an easy method. The evil of this was not apparent in the full-tided life. One masterful emotion will serve as well as a whole code of morality to keep off temptation. The national conscience was uncontaminated while under the surging passion of patriotism. But the seeds were being lodged in the body politic to start into anarchic activity when the high wrought-life subsided. The presence of venal and corrupt men in every department of government lowered the tone of the service ; their popularity debauched the official conscience. When the war was over we slowly wakened to find our local and national

politics frightfully corrupt, rings everywhere enthroned in almost absolute power, the public apathetic, rich men covering the wrongs to save spoliation, and the question "What are you going to do about it?" a conundrum most men were disposed to give up.

After the war the conditions were still unfavorable to improvement. The attention of the country was absorbed in the settlement of the issues of the war. Loyalty continued the paramount demand, and after it ceased to be so was made to appear such by the shrewdness of the professionals, who saw therein the continuance of their lease of power. The great party whose glory is that it carried through the war for human freedom and national unity had come to identify loyality with partizanship. Rogues and scamps easily learned the partizan shibboleth and crowded into the party in power with the opening of the rich fields of reconstruction. The management of the party falling more and more into the hands of officials, and officialism becoming increasingly venal, the very organization which grew up by the crystallizing force of moral ideas, and holds together after those ideas have outworked themselves by the natural cohesiveness inhering in an association hallowed with noble memories, in holding together supports the shelter behind which the thieves are rifling the nation; and does so consciously because outside the fold there is the horde of place-seekers equally venal, equally corrupt, hungrier through long fasting, who are watching for the first breach to rush in and drive off the spoilers, not to save the nation's property, but to get themselves at the spoils. We have come to ask not which party will govern us honestly, but which will give us the least dishonesty.

On the one hand we have a long catalogue of official dishonors in the central bureaus, in Congress, in almost every branch of the civil service: gift-taking, sales of office,

commissions on appointments, farming out revenues on shares, bribery, peculation, corruption in well-nigh every possible form from the ante-rooms of the White House down. On the other hand, the Opposition showing no honest dealing with any of the questions of reform, having no accepted principles, seeking investigation of government abuses simply for partizan purposes, turning purification into a farce. On both sides principles the mere platforms to climb to power, honesty a by-word, and reform a cant.

Allied with this pecuniary corruption of our official life, the outgrowth of the same causes, is the fiduciary demoralization. The lowered tone of the public service tainted those who were above temptation by money. Everywhere the service was being used for private ends. The ideal of public service was lost. It seemed by contrast with the sordid, dishonest crowd quite honorable to use office only for political advancement. The public service seemed identical with the service of the party which had saved the nation, and party-service was easily confused with service of the individual, certainly essential to the party. The gratitude of the nation sought to reward its defenders with places of honor. The soldier who had pre-eminently won the title of Saviour of the Country was given the supreme position in the land, as the country declared and he realized, in reward of past services, rather than on the ground of fitness for the duties of the station and in trust for the discharge thereof ; and he, receiving the highest office as a gift, naturally administered it on the same principle, and made the civil service, as never theretofore, a personal following.

The spoils-of-office theory of administration has thus blown fully out into a system discarding the qualifications of fitness, ignoring the sense of stewardship, viewing office as a legitimate stock for political brokerage. The eight years of our present administration have simply forced for-

ward into rank luxuriance of fruitage the political demoralization long developing out of the "spoils-of-office" theory; and Grantism is but Jacksonism run to seed. Politics has come to be a profession in which our leading men think it no dishonor to bargain away offices in return for official vassalage. The whole administration has come to be a gigantic feudalism, each man in the chain of placeholders receiving his position from his superior in position on lease of loyalty to him. Our Senate, once the pride of the nation, designed to represent the best life of the people, is a group of rings for the disposal of office. The highest body in the land systematically prostitutes the public service to personal and partisan ends.

Political if not pecuniary corruption oozes out from every bureau of state through every channel of the civil service.

Malfeasance in office if not peculation from office, prostitution of place to lust of power if not to lust of gold, witnesses to the decadence of official honor. The noblest function of social life—the ordering of the material, mental, and moral conditions of a nation's life, the charge of its health, its business, its charities, its education, its repression of vice and crime—has become the mere strife of placemen, intent, not on honorably discharging public trusts, but on profitably using positions of emolument or power.

What must the influence of such a state of things be upon every lower sphere of life? As are the priests, so are the people. No worse evil can befall a republic than for its politics to become radically corrupt. That is the poisoning of the blood of the body corporate. It must build up diseased tissue in every member. As is the official life of a nation, so will be its private life. Dishonor and dishonesty in high places must debauch the morals of the country. An unprincipled government becomes the seducer of the nation. Malfeasance of trust accepted in the nation's

servants as natural, dishonor in individual fiduciary relations will not shock men. Money-seeking confessed the end of public positions, it will seem the proper fruition of business. Peculation condoned in official life, will advertise the propriety of cheating in every station. While the government eats as a canker into the body politic, while from the nation's heart pulse tides of venality and dishonor, while the vast network of the civil service diffuses the streams of political and pecuniary corruption, while the real creed underlying party platforms is the politician's Confession of Faith,

> "I don't believe in princerple,
> But, O, I du in interest;" [1]

there can be no thorough reform in trade morals. Thus the other great political issue of the day, civil-service reform, the restoration of honest and honorable government, concerns not only our patriotism, but our private and social morals. We are all being educated in moral blindness, so that high legislators construe the privileges of their positions in special legislation with dangerous laxity, and the people see nothing reprehensible in it. We are all fast ceasing to know dishonesty when we see it in any of its subtler forms. The public conscience is demagnetized. It no longer points true. Upon the men of the land thus rests, in the interests of the common morality, the duty of purifying and elevating politics. It is theirs to reinstate honor in the Executive Chair, honesty in the halls of legislation, faithfulness in the civil service. This Centennial year, bringing out the rebuking eyes of the august Past upon the nation, and beneath their silent judgment forcing a reluctant self-knowledge, must be our regeneration to higher, nobler life.[2]

[1] Biglow Papers, No. VI.

[2] See Appendix L. Relation of Political and General Morals.

## V.

Within the large environment of the national life whither I am tracing our business corruption, there is a sphere feeding the springs of that immorality which it behooves women especially to consider, as it is therein that their influence is all-powerful for good or for evil.

Society practically orders by its habits and spirit the general morals of a community, and very specially the morality of trade.

(1.) Society in its largest sense, the community as a whole, enters trade as the purchaser, and chiefly in the person of woman. Her function as the housekeeper devolves upon her not merely the provisioning of the table, but the ordering of the household, the appointments of the home, the life of the family. The practical assignment of functions in the matrimonial firm follows the natural division into production and distribution, money-getting and money-spending.

That the buyer should largely determine the seller is expressed in the economic law of demand and supply. The first demand of most buyers is cheapness. This, of course, is natural and healthful provided that intelligence and conscience come into play in determining the prices sought. There may be special causes accounting for exceptional cheapness. Some of these are readily discernible—for example, the economy of rents in modest stores off the fashionable avenues, facilities for advantageous purchase by the dealer, machine-made work, etc., etc. Upon every buyer seeking to make a good bargain rests the plain obligation of exercising his mind and conscience in judgment upon the temptingly-low prices offered anywhere.

There is an equitable price for all commodities, roughly indicated by the average rates. Prices much below those

figures call for explanation. If the explanation is reasonable, the buyer's conscience is clear. If it be unsatisfactory, or there be none offered or patent to the buyer, she may be making herself a *particeps criminis* by the "wonderful bargain." That cheapness may be but a synonym for cheating. Low figures may mean fraudulent importations, adulterated materials, shortened weights or measures, skimped wages.[1]

Profits of low sales will be recouped somewhere. If no other way offers, they will be squeezed out of labor or slipped away from the customer. The workers or the work will suffer. In the stress of competition, dealers are goaded by the buyer's screws to resort to all manner of shifts to undersell one another. The blind demand for cheapness puts thus a premium upon fraud. By its thoughtlessness society weights down the scales against honesty. Sellers never will be honest or honorable till buyers are scrupulous. If our women who have such a keen zest for good bargains would realize that it requires an effort of mind and conscience to shop without criminality, there would be good hopes of improving the morals of trade. When society's buyers will patronize the honorable dealers at the additional percentage honesty is forced to put upon its wares, then and not till then will trade rise above the low level of to-day.

(2.) Society, technically so-called, has also a heavy responsibility in the demoralization of business, which ought to weigh heavily on woman, who reigns as queen therein. Society really orders the lives and moulds the habits of men. What it ordains as *the thing* will be done at whatever cost. The fashions it sets will be slavishly followed. The style of living society establishes will thus regulate the pressure under which business must be carried on, and

[1] See Appendix M. Ruskin on Cheap Purchases.

the strain brought upon principle. The spirit it breathes may nurture true manhood with its honor scrupulous even to punctiliousness, or it may foster the real vulgarity of the *nouveau richesse* which "weighs dessert like grapes, by the pound," reads the letters-patent of nobility in title-deeds, and grades the world not after the divine hierarchy of mind and character and glorious deeds, but by the ciphers rolling behind the insignia of royal rank, the "$."

Our society is driving men to-day at high pressure. Life would be difficult enough in New York for any but the rich, from the natural values of real estate on the island, upon which, as determining the first requisite for the family a home, all prices adjust themselves. It is made doubly difficult by the sweet impoverishing of that vague despotism "Style." There has been no retrenchment in our customs at all corresponding to the shrinkage that has taken place since the war; and, as usual, the decline of prices has been so much slower than the fall of values as to fail of establishing an equilibrium between receipts and expenses. Society is keeping up the style of living which, whatever its moral character, was economically natural in the days when trade was active and values were rapidly rising, but which in these days of stagnant trade and declining values is at once morally and economically dangerous. It is becoming extremely hard for the great majority of men to pay honestly for the lavish establishments, the costly dressing, the expensive entertainments, the wasteful management of families who aspire to follow the customs of society. If women insist upon "keeping up appearances," their husbands will very likely fail to pay, or fail in paying. Cabinet ministers will not be the only men ruined by their wives.

Have our Christian women, who make society, courage and strength to inaugurate a Centennial reform in manners,

and set up, as *the thing*, inexpensiveness of dress, simplicity of household style, economy of domestic administration, modesty in entertainments ?

Society is to-day realizing the satire of one of Nast's cartoons, its beauty and fashion falling down in homage before the altar of Mammon. Wealth well won and used deserves deference. It is the sign of ability and character, in which inhere the roots of all genuine aristocracies. Wealth in itself may mean the accident of birth, the luck of rascality. To pay court to the empty-headed son of a millionaire, to smile upon the successful sharper, is in fact to create an aristocracy based on neither power nor merit, to set up a plutocracy whose only standard is money, an order of the Almighty Dollar. When society crystallizes around neither worth nor ability, but simply the wealth of a city, it is no longer a fount of honor, but a cancer. When society accredits money as a valid passport, it gives as its all-influential counsel the advice of the old man, "My son, get money ; get it honestly if you can ; but get it."

This is the evil, not indeed of our really best society, but of that which passes for such, which is accredited "good." The old traditions of respectability and worth are giving way before the weight of the plutocracy. The man to whom the obsequious bow is made at the grand reception in what our reporters call "the palatial mansion on the avenue," is Mr. Bullion, *worth* several millions. The coarse stranger who makes his appearance there so nonchalantly has queer stories told about him, but then he too is *worth* "ever so much." The stupid young man around whom virtuous mothers are drawing their nets, the elegant roué before whom pure young girls go on the drawing-room auction-block, are each "enormously wealthy." Our parlor conversation is full of one subject, money : the wealth of Mr. A, the costliness of Mrs. B's dresses, the money spent

upon somebody's entertainment, the price paid for somebody's else last picture. It is

> "Gold, gold, nothing but gold.
> . . . . . .
> Our daughters sing to their harps of gold,
> 'O bella eta del' oro' !'" [1]

So cool a critic as Mr. Herbert Spencer sums up the causes of the prevailing immorality in English trade into "the indiscriminate respect paid to wealth," and says—"this gigantic system of dishonesty, branching out in every conceivable form of fraud, has roots that run underneath our whole social fabric, and, sending fibres into every house, suck up strength from our daily doings and sayings." [2]

Can our women give a nobler tone to society? Are they strong enough to set up again the old standards of worth, and raise once more the nobler ideals of society? Are they cultured enough to admeasure men by other standards than gold, honest enough to refuse the hand soiled by fraud, pure enough to shame away the presence of libertinism chartered by wealth, brave enough to do what their minds and hearts surely bid them?

[1] Hood's Poems: Miss Kilmansegg and her Golden Leg, stanza 9.

[2] Spencer, Essays Moral, etc., p. 143.

A well-known lady, not long returned to our country, mentioned over lunch her horror at an examination she had attended in one of the leading young ladies' schools of the city, where in every department, history, geography, etc., the questions were directed to the moneyed aspect of the subject in hand, enforcing, with the indelibleness of early impressions, upon all the girls the idea of the supreme consequence of wealth. Mr. Mill's coarse but cutting saying, that in America the men are worshippers of the Almighty Dollar, and the women breeders of more worshippers of the Almighty Dollar, doubtless came to mind at that commencement in a very literal fulfilment.

## VI.

In the large environing of the national life there is one other sphere, within which the world of business moves, whose influence duly felt should have held it steadily to the ways of righteousness, to whose restored action we must look finally for the drawing again of the orbit of trade according to the divine laws. The Church, using the term in its broadest sense, is a factor in our civilization of immense power. Connected with the five hundred churches of New York City there are probably fifty thousand men engaged in business. One would suppose that whatever the church had accomplished with this host of followers of Jesus Christ, it should at least have taught them that they must be honest men, men of such positive honesty as with this fifty-thousand-man-power battery to charge the business of the city with healthful life. Making all due allowance for the weakness of men and the half-hearted discipleship the Church holds, she has nevertheless palpably failed to get this alphabet of religion well learned. Nor need we be at a loss to account for this non-mastery of the principia of righteousness.

The Church has emphasized not morality, but spirituality; not conduct, but belief; not life, but dogma. Her interest has been with inner, personal, emotional religion, rather than with the religion of outward relations; with the religion which is indeed and blessedly a bond between the soul and God, to the neglect of that which is to bind man with man in society. She has busied herself with doctrinal controversies and ecclesiastical organizations, instead of turning her energies into the great realm of practical affairs. She has depreciated ethical instruction as being unevangelical.[1]

[1] Our modern popular religion scarcely endorses the robust evangelicalism of John Wesley. "I find more profit in sermons on either good tempers or good works than in what are vulgarly called gos-

She has held before her as the ideal of her work, not the regeneration of the world, but the deliverance of the elect few from its unstayable corruption ; not the leaven working till the whole social mass, politics and business and pleasure, should be leavened, but by a false application of the Master's words, the salt keeping the saved from the spread of putrefaction.

When her earnest disciples have asked to work for the Master, instead of bidding them accept the providential ordination of business as a divine vocation through which God evidently meant to carry on the education of mankind, consecrate themselves to the service therein of God in humanity, assume its responsibilities as religious duties, care for their employés as Christian brethren, carry on their traffic so as to help forward the material, mental, and moral interests of mankind, put their capital out at interest for Christ in enterprises which should order labor into higher life,—she has called them away from doing their duty in that state of life to which it had pleased God to call them, taught them to look on all this mechanism of business as secular, encouraged them to hurry out of it, and sent them into the parish societies she has chosen with effrontery to call distinctively Christian work, agencies called into being to supplement the evils wrought by

pel sermons. The term has now become a mere cant word ; I wish none of our society would use it. Let but a pert, self-sufficient animal, that hath neither sense nor grace, bawl out something about Christ or his blood, or justification by faith, and his hearers cry out, 'What a fine gospel sermon!' Surely the Methodists have not so learned Christ. We know no gospel without salvation from sin."—Article by Lewellyn Davies, Contemporary Review, January, 1876, p. 179.

Nor does our popular religion make use of such a certificate of membership in good standing as that Wesley employed in his classes: "I believe the bearer hereof to be one that feareth God and works righteousness."—Ibid., p. 134.

the business mechanism left to run without the fear of God or the love of man in selfish secularity.[1] Instead of educating her disciples in the subtle applications of ethical principles our complicated business mechanism offers, she has forsworn her office of conscience-guide, and left her honest-hearted, ill-instructed children to wander amongst the pitfalls of trade and stumble into dishonor and ruin.[2] In lieu of setting society an example of the true admeasurement of personal worth, she has opened her doors to the respectability of success, welcomed with undisguised jubilancy the accession of wealthy sinners, received the ill-gotten gains of speculators with no questions asked, while talking piously about the irreligion of the masses, as though religion and respectability were alike gauged by gold, and "people with nought were naughty."[3]

A remarkable religious revival is in our midst. However we regard its methods, all bear witness to its pure power in stirring within many hearts the pulses of genuine Christian feeling. The forces of this great revival are awaiting outlet. Christian ministers and laymen are this day in council upon the best means of utilizing these tides of inner life.[4] And lo! even as the disciples come down from the mount, the despairing cry of the nation—My politics and my business, long possessed with an evil spirit,

[1] This, too, in the face of the Master's teachings about money, as, for example, in the parables of the pounds and the talents, which the church must needs spiritualize till few business men in reading or hearing them realize that they refer primarily to that of which they speak, the use of wealth as capital in business—money's responsibility to be out at interest for humanity.

[2] See Appendix N. Clerical Education in the Casuistry of Social Science—Applied Ethics.

[3] See Appendix O. The Church's Homage to Wealth.

[4] Written on the day of the Convention of Ministers and Laymen in the Hippodrome

I have brought, O Church of Christ, to thy disciples, and they could not cast it out !

Then may the revived religion, empowered by its experience on the mount, put forth its hand and exorcise this unclean spirit, FRAUD, of old seen uprising from the hells, foul and fearful. That will show verily that the disciples have been with Jesus, and have learned of him that pure religion and undefiled which is indeed to visit the fatherless and widows in their affliction, but is also to keep one's self unspotted from the world ; the religion which made the Master not only Christus Consolator, comforting the penitent, but also Christus Judicator, confronting the secularizing customs of trade, priest-sanctioned in the temple, and by the power of purity pulsing from his presence, the holy wrath which shone from his eyes and swept out round him in electric flashes of indignation, driving the thieves as leaves before the wind, leaving after him the fresh, sweet breath of God.

## VII.

Thus have I tried to fulfil my duty as conscience-guide to you, my friends, who move amidst the circles of business, for your own sakes and for the sake of the community and nation of which we all are members. I have dealt little in exhortation, because respecting you enough to believe that all the appeal needful to rouse your active interest is a realization of the facts, a belief that they are remediable, and a discernment of the methods of bettering them. If you feel the seriousness of the disease and believe nevertheless in the vitality of the nation, begin at once with the therapeutics recommended.

Study greater personal scrupulousness. Be not only free from purpose of wrong, but from thoughtless connivance at it, from facile allowance of it. Charge your surroundings with the impress of a positive virtue. Voice to the extent

of your influence a stern reprobation of fraud wherever found. Join that much-needed Social Police sworn to proscribe all offenders against the great common law of honesty and honor, though dignified with the title of speculator or financier, though their wrongs are condoned in the success of the railroad president or merchant prince.[1]

Engraft in some way the principle of co-operation upon your industrial establishment, if engaged in manufacturing. If in traffic, endeavor to associate your competitors in some mutual alliance looking towards the common interest in the mitigation of the fierce warfare of trade. Throw your influence into every measure promising to alter the conditions generating such a pressure of competition, or, if its fierce strife must continue, to at least bridle it with codes of honor.

See if something can not be done to make the trade associations exert their latent powers to repress fraud and cherish honor. As purchasers, have an eye to the consequences of your bargains. As moulders of society, breathe into it the virtues of sobriety, economy, and simplicity; infuse it with that wisdom which dwelleth with prudence. As citizens, right the government of the land, and cause the nation to supply the conditions of integrity and set an example of probity. Inform yourselves intelligently and act conscientiously in the problems of practical life as under responsibilities to God and man.

In fine, make your religion truly vital by infusing your

[1] "When that abhorrence which society now shows to direct theft is shown to theft of all degrees of indirectness, then will these mercantile vices disappear. When not only the trader who adulterates or gives short measure, but also the merchant who overtrades, the bank director who countenances an exaggerated report, and the railway director who repudiates his guarantee, come to be regarded as of the same genus as the pickpocket, and are treated with like disdain, then will the morals of trade be what they should be."—Herbert Spencer, Essays Moral, etc., p. 146.

every-day tasks with higher, nobler aims, with that fear of the Lord which is the beginning of wisdom, that righteousness which the Eternal loveth.

So haply may our country's life be renewed, and our first Centennial date not her decline and fall, but her reformation and restoration to the righteousness which exalteth a nation.

Over the door of the church of the Santa Maria Formosa in Venice, the chief ornament of the façade, in the spot theretofore occupied by the figure of Christ, was erected, about the middle of the sixteenth century, the statue of the Admiral Vincenzo Capello, in Roman armor. The whole façade, destitute of any religious symbol or inscription, found appropriate accompaniment of ornamentation for its martial figure in spears and shields, helmets and arrows and flags. True symbol of the change passing over the city of merchant princes: as the earlier religiousness that had ennobled life and formed the men whose portraits still embalm their dignity in the art illustrating their culture, was fading into the money-loving, war-driving spirit of trade, which crowded indeed her lagoons with argosies and filled her sea-built palaces with gold and silver, and brought ambassadors from far and near to sue for her all-powerful favor, but ate the honor out of her sons and the purity out of her daughters, till her nerveless arm availed not for her guard, and the trader's sword pierced her own bosom; and now beneath the silent Christ of her St. Mark's she ponders in poverty and shame the once-uttered voice of the Eternal Wisdom:

"Riches and honor are with me;
Yea, durable riches and righteousness.
My fruit is better than gold, yea, than fine gold;
And my revenue than choice silver.
I lead in the way of righteousness,
In the midst of the paths of justice:

That I may cause those that love me to inherit substance;
And I will fill their treasuries.

. . . . . .

Blessed are they that keep my ways.

. . . . . .

I have called, and ye refused;
I have stretched out my hand, and no man regarded.

. . . . . .

For that they hated knowledge,
And did not choose the fear of the Lord:
They would none of my counsel:
They despised all my reproof.
Therefore shall they eat of the fruit of their own way,
And be filled with their own devices." [1]

Better omen for our city of merchant princes may that prove which daily our eyes behold: at the central point of the city, where our noble avenue of trade debouches upon Union Square, upon the mammoth house of industry lately reared, the figure JUSTICE; balances in one hand, not merely of supply and demand, but of the admeasurement of equity; sword in the other, for no war of selfish greed, but for the smiting of wrong, the punishment of fraud.

"Shall not that western Goth,
So fiercely practical, so keen of eye,
Find out some day that nothing pays but God." [2]

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[1] Proverbs 8: 18–21, 32; 1: 24, 29–31.

[2] Jas. Russell Lowell, The Cathedral, p. 47.

# APPENDICES.

# APPENDIX A.

## ADULTERATION OF MILK.

The Sussex County Farmers' Milk Association, during the winter this lecture was prepared, was occupied with the question of preventing the adulterations of milk practised by the dealers. This association stated that milk is so adulterated that the supply is greater than the demand, both the farmers and the public suffering. It is estimated that the total daily consumption of milk in New York, Jersey City, and Hoboken is 320,000 quarts, and that of this quantity more than half is more or less adulterated.

"The ordinary milk is largely diluted with water, and although nothing injurious is really added, still infants are defrauded of the nourishment which they require and should get from the milk. . . . The condensed milk is found, with few exceptions, to be made of skimmed milk, entirely or in part. It is thus robbed of its cream, and is therefore deficient in fat (butter). This really renders it unfit for the nourishment of children, and the fraud is more objectionable than that of diluting the whole with water."—Report of the Board of Health of New York, 1870, p. 314.

The report adds : "It is a notorious fact that most of the condensed milk companies regularly send cream to the New York market."

"In this paper [The Adulteration of Milk] will be found . . . facts seeming to prove the almost universal sophistication of milk as delivered in Boston."—Fourth Annual Report of the State Board of Health of Massachusetts, 1873, p. 14.

The swill-milk outrage, so vigorously exposed a few years since by the press, was much diminished by that persistent investigation, and by the watchfulness of the Society for the Prevention

of Cruelty to Animals. This society lately made a renewed examination of some of the Brooklyn stables, finding at several places the swill from the distilleries still used, with its resultant enfeeblement and disease to the cows, and with the concomitants of overcrowding and filth.

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## APPENDIX B.

### FRAUDS IN SELLING UNWHOLESOME FOODS.

The provisioning of the city gives rise to the most abominable of all frauds, that, namely, practised in palming off impure, unwholesome, diseased foods. Innutritious food is a bad enough cheat, for it impairs the vitality which is the real capital of all labor. Food that is positively noxious, that carries the germs of disease, is a fraud too dastardly to be credited were it not for the abundant evidence of the extent to which it is attempted. The Sanitary Code of the Department of Health is the most alarming token of the lengths to which this fraud would be practised but for the watchful and stern repression of the law. It contains ten sections devoted to the intentional palming off of unwholesome foods; providing, for example, "that no decayed fruit or vegetables," "no meat or fish that died by disease or accident," "no cased, blown, plaited, raised, stuffed, putrid, impure, or unwholesome meat or fish, birds or fowl, shall be . . . knowingly offered for sale."—Report of the New York Board of Health, 1873, p. 548.

An examination of "The Market Systems of the Country" disclosed revolting facts as to this trade in sickness and death.—Cf Report of the U. S. Agricultural Department for 1870, p. 248, etc.

The worst of this outrageous fraud is that it falls upon those least able by their modes of life to bear this poisoning, most seriously affected by its consequences. The well-to-do get good foods, because able to pay good prices. The poor, to whom cheapness is the first consideration, are the victims of this devilish traffic.

# APPENDIX C.

## ADULTERATIONS OF FOODS, ETC.

*Report of Board of Health of New York*, 1872.

The report shows in sugars, "in the very worst samples . . . no intentional fraudulent admixture;" "in no case was any adulteration whatever detected." In saleratus "the samples were . . . on the whole without adulteration, or at least without injurious admixture, although many of them contain a considerable quantity of flour, which is certainly a diluent, though not injurious." "The cream of tartar examined was found in all cases to be adulterated with sulphate of lime, commonly called terra-alba, and to such an extent that in most cases the terra-alba predominated, so that the cream of tartar was really terra-alba to which a small quantity of cream of tartar had been added."

The Report on Confectionery, p. 298, shows that for the purpose of giving "bulk," etc., to the various mixtures and masses, earthy substances and other materials of a deleterious character are often employed—for example, clay, gypsum, starch, lampblack. In coloring, reds and blues were found to be harmless, yellows composed largely of poisonous substances, greens somewhat so. Essences were found nearly all artificial: the ethers frequently called into requisition are poisons if taken in considerable quantities. The report suggests "that the public be cautioned against the indiscriminate use of highly-colored common candies, particularly yellow, green, and orange."

A Report on Bread (1873, p. 449) finds that "of the adulterants of bread mentioned in the literature on the subject, but two, alum and sulphate of copper, had probably been used in the preparation of the samples of bread examined," and notes that "it must be admitted that the use of copper utensils in preparing the bread, or the materials used in making it, may have been the cause of the introduction of the copper detected in the samples."

The report pays little attention to the admixture of alum, presumably as being but trifling in amount.

Not a particle of adulteration was found in any one of thirty samples of flour purchased at as many different small retail stores

and subjected to analysis. They differed, of course, in quality; many of them were comparatively poor, but none were adulterated.—Report 1870, p. 317.

Of twenty samples each of the various spices, all were found adulterated with substances of vegetable character.—Report 1870, p. 319.

"The Board recommend the careful perusal of this paper [on the character of substances used for flavoring articles of food and drink] by every housekeeper and parent. By it we learn that many articles in common use as delicacies are flavored with deleterious and even poisonous substances. We learn that the oil of almonds, used by confectioners, contains prussic acid, and that the almond extract so much employed in domestic cookery also contains this poison in a large amount; that almost all the candies, and many of the soda-syrups bearing the names of the easily perishable fruits, as the strawberry, raspberry, banana, etc., etc., have no trace of the fruit about them, but are flavored by fruit essences, which are deleterious ethereal extracts, made in the chemical laboratory; that many of the fruit-jellies in the market are made from apples, and flavored by the same artificial essences to resemble the various fruits from which they are supposed to be made; that cheap wines and other alcoholic liquors are sometimes sophisticated by these essences and by other flavoring substances; and finally that tartaric acid is openly sold to be used as a substitute for fruit in pastry."

"By it [Report on Adulterations and Impurities of Food] we learn that lead, mercury, arsenic, and copper are not infrequently found in the coloring matter of confectionery, and especially of sugar toys."— Fourth Annual Report of Massachusetts State Board of Health, 1873, p. 12, etc.

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## APPENDIX D.

### ADULTERATION AND IMITATION OF LIQUORS.

The National Temperance Society has issued a prize essay on "The Adulterations of Liquors," which presents a shocking view of the liquor trade. As to the extent of adulterations and imitations of wines it says :

"The United States are reported to be the largest consumers of this kind [champagne], that of 1,000,000 baskets. Now let us remember that the whole Champagne district is about 20,000 acres, and the amount of wines manufactured for exportation is 10,000,000 bottles, or about 800,000 baskets; of this, Russia consumes 160,000; France, 162,000; Germany, 146,000; England, 220,000; leaving only 120,000 for the United States, which proves that 888,000 baskets of wine drunk in this country for imported champagne are counterfeit—an amount more than equal to the whole supply of the Champagne district for the world.

Take that of madeira. Dr. Nott states on reliable authority that "but 30,000 barrels of wine were produced on the island of Madeira ; and yet 50,000 are claimed to be from there drunk in America alone." As to port wine it quotes Mr. Cyrus Redding testifying, before a select committee of the House of Commons, to the effect that "the entire export of port wine is 20,000 pipes, and yet 60,000, as given in evidence, are annually consumed in this country."

"From the Report of the Commissioners on the Internal Revenue System, made in 1866, we learn that four firms in the city of New York reported to the Commissioners a consumption of 225,000 gallons of pure spirits for the manufacture of imitation wines. As about 20 per cent is the proportion of spirits used, we have from four firms alone near 2,000,000 gallons of this death-dealing mixture palmed off for consumption. Conceive, if you can, the whole amount manufactured in these United States, when there are probably not less than three hundred firms engaged in the debasing traffic."—The Adulteration of Liquors, pp. 4 and 9.

As to the character of these adulterations and imitations, the essay quoted is equally strong. It refers to "The Vintner's Guide," "The Wine Merchant's Companion," and "The Wine Guide," as furnishing "the most shocking decoctions on this subject." It quotes Dr. Cox, the Inspector of Liquors for Ohio, as saying, in answer to the question whether he had reason to believe that imported wines and brandies are adulterated, "Yes, I know them to be, and can demonstrate the fact to any one who has faith in chemical developments. I have inspected brands of various kinds and qualities fresh from the Custom-House, with the inspector's certificate which accompanied them, and was as

sured that they were freshly imported, and yet the chemical tests gave me corn whiskey with abundance of fusel-oil, or the oil of corn, as a basis, with sulphuric acid, nitric ether, prussic acid, copper, chloroform, Guinea pepper, tannin, or tannic acid, with sometimes a very small percentage of good brandy, and frequently not a drop."—P. 14.

The essay says, "We know that the wines now current are really a mess of *drugs—a concoction of vile compounds.*"—P. 12.

This essay, like so much of its class, lessens the force of its conclusions by loose assumption of some of its data, and illogical inference from others, and a general lack of temperance in argument.

Other investigations, while agreeing as to the fact of adulterations and imitations, regard the quality of the one as less serious and the quantity of the other as less extensive. An examination instituted by the Massachusetts Health Board reported as follows: Artificial essences are employed, to a greater or less extent, in factitious wines and other alcoholic liquors, and are generally kept for sale for this purpose by what are known as brewers' druggists. Some twenty-seven admixtures are given as used for flavoring and giving strength to alcoholic liquors, among which are cocculus indicus, capsicum, wormwood, calamus-root, sulphuric acid, alum, nux-vomica, opium. Many of the compound ethers are also used. The writer of this report states that he has depended for information upon persons who have had occasion in an official capacity to test the character of alcoholic liquors sold in Massachusetts. The report adds, "It appears to be true that the greater portion of the impure alcoholic liquors sold in the State is adulterated by the addition of alcohol and water only. The artificial liquors are manufactured by a limited class of persons. These are not generally the wholesale dealers nor the better portion of the retail dealers, but the lowest class of the latter, in the obscure parts of the cities and in the smaller towns, where the number of such manufacturers is proportionately larger probably than in the cities."—Fourth Annual Report of the State Board of Health of Massachusetts, pp. 166, 169.

A report now in preparation by a high authority in this city is understood to take the ground that the admixtures are no worse than alcohol. As to malt liquors, the Massachusetts Report says :

"It is probable that in no brewery in this country is any other substance than malt, hops, and water employed in the making of beer, if the very rare use of liquorice may be excepted"—P. 172.

The writer of the Massachusetts Report above quoted gives a circular falling into his hands, commencing thus: "Important information for practical men. Eichler's receipts for liquors, syrups, bitters, etc., will save hundreds of dollars which you are now paying to others for preparing your whiskeys, brandies, gins, etc. These receipts embrace the most concise, accurate, and practical directions for the convenient preparation of the various beverages. . . . Liquors made according to these receipts so closely resemble the genuine that they often can not be distinguished."

From the many receipts given in the report I quote two as samples: "Imitation Champagne.—Made of sugar, water, white argols, sweet cider, yeast; when fermentation commences rectified spirits and tincture of orris being added. French Brandy.—Brandy flavor, one half pint; age and body preparation, one pound; brandy coloring, one pint; pure rectified spirits, forty gallons. If wanted for immediate use, double the above proportions must be used. To improve the above, add about five pounds each of bruised raisins and St. John's bread to each barrel."

Over two hundred of these receipts are given in the circular.

A hint upon the extent of this traffic is given in a letter received by the writer of this report from the druggist issuing the circular: "They are sold by the greater part of the trade whenever medium or lower price goods are wanted."

It may perhaps shed some light upon the notorious violence of the mining population of Pennsylvania, to learn that there is a particularly fiery article made up for that region.

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## APPENDIX E.

### FRAUDS IN IMPORTATIONS.

Cf. the statistics given by General Butler in his Congressional speech published in the *Graphic* extra of May 11, 1865.

All importers with whom I have conversed agree in estimating the proportion of fraudulent importations as very considerable.

The Laurence case disclosed, according to the papers, a large ring of merchants, thoroughly organized for smuggling, backed by great wealth, the principals well secured behind intermediaries having eminent lawyers in their employ. The prosecution charged, as reported by the press, that these combinations had defrauded the government of $20,000,000 in ten years.

A letter from a prominent merchant of another city, in answer to some inquiries on this point, said : "There are hundreds of ways by which the government is daily defrauded. New York's great increase of foreign trade over all the other commercial cities of the country is owing largely to the facilities of committing them there. The editors of your papers know it, and any exposure attempted, they open with their batteries as if it were an attack upon the prosperity of the city."

One house in this city, getting wind of the purpose of the Custom-House officials to examine their books, sent them to the house of their chief clerk and thus frustrated the officers ; but on ordering the return of these books, the chief clerk demanded a bonus of $10,000, *and was paid.*

Another firm, finding the officials on their track, had their legal representative compound in hot haste, resting not till a settlement was signed. The demands of the government were brought down from $100,000 to $50,000, and on the payment of this one of the firm said, "We've saved $250,000 by it."

These are typical of the revelations that might be made from the anterooms of the courts, where legal ability disposes of cases before they reach public development.

These frauds are managed by what our English friends know as the system of "salting invoices."

The values upon which the importer pays duty and upon which he sells are kept distinct; the invoice prices are marked below the real value; these invoices, duly certified on the other side, are sworn to by solemn oath here as being the true and correct value, than which none other has been received by the firm; and then some other party than the oath-taking member of the firm receives letters giving the real prices, the true invoice, and these letters, only pasted or pinned in the books, and placed under the sole charge of a trusted confidential clerk or of some one of the firm, give the selling values; the profits of the whole system being by

no means the petty amount saved in customs dues, but the ability thus gained to undersell competitors and build up a big business!

One of the curious features of trade morality comes to light in the above system, the easy throwing off, by the individuals composing a business association, of all responsibility for dubious transactions upon the broad shoulders of the legal individuality known as "The Firm," to the preservation of personal immaculateness consistently with business advantagings for all except the member reserved to do the dirty work. "Who shall ascend into the hill of the Lord? He that hath clean hands *and a pure heart.*"

Here as elsewhere the general morality of the community is manifested in trade. The ethical nature of governmental claims is very lightly appreciated by the community. Few seem to perceive that they impose the same duties of truth and honesty as private claims. Men who would not dream of equivocation or cheating with their fellow-citizens, will smuggle privately with no self-reproachfulness whatever.

In the case of Mlle. Juvin, before the United States Circuit Court, the accused pleaded guilty of having smuggled into this port costly silk dresses from Paris, and the Court said, addressing the prisoner, "The customers you found for your goods led you into great temptation." It would seem to have been a case of smuggling by proxy. The reporter added, "The dresses smuggled by Mlle. Juvin have been condemned, and will soon be sold. . . . Each lady who commissioned Mlle. Juvin to procure goods for her will have some one at the Custom-House auction to bid them in for her. No person is expected to bid against those who are commissioned to buy in the goods, and the result will be that the ladies will get their dresses much cheaper than Mlle. Juvin could have sold them even if she had succeeded in getting them in free of duty." A nice bit of business for our elegant ladies!

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## APPENDIX F.

### RUSKIN ON SPECULATIVE FAILURES.

"HAVE you ever deliberately set yourselves to imagine and measure the suffering, the guilt, and the mortality caused necessarily

by the failure of any large-dealing merchant or largely-branched bank? Take it at the lowest possible supposition; count, at the fewest you choose, the families whose means of support have been involved in the catastrophe. Then, on the morning after the intelligence of ruin, let us go forth amongst them in earnest thought, let us use that imagination which we waste so often in fictitious sorrow, to measure the stern facts of that multitudinous distress; strike open the private doors of their chambers, and enter silently into the midst of the domestic misery; look upon the old men, who had reserved for their failing strength some remainder of rest in the evening-tide of life, cast helplessly back into its trouble and tumult; look upon the active strength of middle age suddenly blasted into incapacity, its hopes crushed, and its hardly-earned rewards snatched away in the same instant, at once the heart withered and the right arm snapped; look upon the piteous children, delicately nurtured, whose soft eyes, now large with wonder at their parents' grief, must soon be set in the dimness of famine; and, far more than all this, look forward to the length of sorrow beyond, to the hardest labor of life, now to be undergone either in all the severity of unexpected and inexperienced trial, or else, more bitter still, to be begun again and endured for the second time, amidst the ruins of cherished hopes and the feebleness of advancing years, embittered by the continual sting and taunt of the inner feeling that it has all been brought about, not by the fair course of appointed circumstances, but by miserable chance and wanton treachery; and, last of all, look beyond this, to the shattered destinies of those who have faltered under the trial and sunk past recovery to despair.* And then consider whether the hand which has poured this poison into all the springs of life be one whit less guiltily red with human blood than that which literally pours the hemlock into the cup or guides the dagger to the heart? We read with horror of the crimes of a Borgia or a Tophana; but there never lived Borgias such as live now in the midst of us. The cruel lady of Ferrara slew only in the strength of passion; she slew only a few, those who thwarted her purposes or who vexed her soul; she slew sharply and suddenly, embittering the fate of her victims with no foretastes of destruction, no prolongations of pain; and, finally and chiefly, she slew not without remorse, nor without pity. But we, in no

storm of passion, in no blindness of wrath—we, in calm and clear and untempted selfishness, pour our poison not for a few only, but for multitudes; not for those who have wronged us or resisted, but for those who have trusted us and aided; we, not with sudden gift of merciful and unconscious death, but with slow waste of hunger and weary rack of disappointment and despair—we, last and chiefly, do our murdering not with any pauses of pity or scorching of conscience, but in facile and forgetful calm of mind, and so, forsooth, read day by day, complacently, as if they meant any one else than ourselves, the words that forever describe the wicked: 'The poison of asps is under their lips, and their feet are swift to shed blood.'

"You may indeed, perhaps, think there is some excuse for many in this matter, just because the sin is so unconscious, that the guilt is not so great when it is unapprehended, and that it is much more pardonable to slay heedlessly than purposefully. I believe no feeling can be more mistaken, and that in reality, and in the sight of heaven, the callous indifference which pursues its own interest at any cost of life, though it does not definitely adopt the purpose of sin, is a state of mind at once more heinous and more hopeless than the wildest aberrations of ungoverned passion. There may be in the last case some elements of good and of redemption still mingled in the character; but in the other, few or none. There may be hope for the man who has slain his enemy in anger; hope even for the man who has betrayed his friend in fear; but what hope for him who trades in unregarded blood and builds his fortune in unrepented treason?"—Two Paths, pp. 189, 190.

A passage on the criminality of speculative failures is added.

"In the real fact of the crime when consciously committed, in the numbers reached by its injury, in the degree of suffering it causes to those whom it ruins, in the baseness of its calculated betrayal of implicit trust, in the yet more perfect vileness of the obtaining of such trust by misrepresentation, only that it *may* be betrayed, and in the impossibility that the crime should be at all committed except by persons of good position and large knowledge of the world,—what manner of theft is so wholly unpardonable, so inhuman, so contrary to every law and instinct which binds or animates society?"—Time and Tide, p. 95.

# APPENDIX G.

## TRADE FRAUDS IN EARLIER TIMES.

FRAUDULENT practices in wholesale and retail trade have been the subject of legislative enactments from the commencement of our statute law. Even before the statute law existed there is evidence, in the old common-law inquisitions for jurors at district courts, that such fraudulent practices were perpetrated. In those old inquisitions we find invariably the direction to make diligent return of such as used false measures, balances, or weights, and of such as had double measures—buying by the greater and selling by the less. In a Parliament rule of the 17th of Edward the First those cheats of the double measure are expressly proscribed. One of the regular duties of a Parliament under the Plantagenet kings was to pass a law for the assize on the regulation of the people's victuals; and one of those laws enforced its injunctions to supply good measures of bread and ale, by the penalty of the pillory and the tumbril. In the 37th of Edward the Third is a statute beginning thus: "Item.—For the great mischiefs which have happened through the merchants, called grocers, buying up goods fraudulently to enhance the price." The same act of Parliament provides against deceptions by silversmiths, who were given, it seems, to do very differently by their unsuspecting customers than equity enjoined. In the 5th year of Henry the Eighth it was necessary to pass an act for "avoiding deceytes in worstead." In the 21st year of the same reign we find "an Acte for the Lynnen drapers of London," which recites that the said drapers had been accustomed to sell doulais and lockram, then made in Brittany, either in whole pieces of 100 ells or in half pieces of 50 ells of a yard in breadth; but that of late divers persons, for their own singular profit, had brought in half pieces lacking four or five ells of the accustomed length. In the 31st year of the same reign the wine merchants had come into disrepute. A statute was then passed which recites an act of the Parliament of Richard the Second, that required every vessel of the wine merchant to be of a prescribed capacity. "Nevertheless," says the statute, "great deceyte is daily used in selling wynes and ayle in caskeys and vessels not having the above

contents, to the great loss of the King's poore subjects."—Lectures delivered before the Young Men's Christian Association, London, 1856, p. 437.

"During the reign of Edward III., in the 14th century, a law was enacted in England imposing heavy penalties on frauds on liquors. That same monarch, in a letter to the Mayor of London, complains of the wine merchants: 'They do mingle corrupt wines with other wines, and are not afraid to sell the wines so mixed and corrupt at the same price as they sell the good and pure, to the corruption of the bodily health of those who buy wines by retail.' "—Essay on the Adulteration of Liquors, p. 3.

It would be easy with time to illustrate the actual state of trade morality in the different eras of English history, from cotemporaneous literature, such as the passage from Defoe's "Complete English Tradesman" Mr. Spencer quotes, speaking of the false lights shopkeepers introduced into their shops to give delusive appearances to their goods, the "shop rhetoric," the "flux of falsehoods," the bags of spurious or debased coin nearly all the shopkeepers kept to give change whenever they could, and their defence, that they could not live without lying. Or as the description copied by the essay quoted above from the *Tattler*, of the "subterraneous philosophers daily employed in the transmutation of liquors, who by the power of magical drugs and incantations raise under the streets of London the choicest products of the hills and valleys of France." Or as the familiar couplet from "Hudibras:"

> "Your pettifoggers damn their souls,
> To share with knaves in cheating fools."
>
> Hudibras, Part II., canto i., 515.

A study of Shakespeare would disclose many allusions which draw their signification from the prevalence of cheating and lying in his day. For example:

"*Nym.* The good humor is to steal at a minute's rest.

"*Pist.* 'Convey,' the wise call it. 'Steal!' foh! a fico for the phrase!" —Merry Wives of Windsor, i. 3.

"*Porter.* Here's a knocking indeed! If a man were porter of hell-gate, he should have old turning of the key. [Knocking within.] Knock, knock. Who's there, in the other devil's name? Faith, here's an equivocator that could swear in both the scales against either scale: . . . [Knocking

within.] Who's there? Faith, here's an English tailor come hither, for stealing out of a French hose."—Macbeth, ii. 3.

"*Mar.* But what trade art thou? answer me directly.

"*Sec. Com.* A trade, sir, that I hope I may use with a safe conscience."—Julius Cæsar, i. 1.

Hebrew trade is abundantly illustrated by the trenchant touches of the Prophets, which answer for texts still.

"He that walketh righteously, and speaketh uprightly;
He that despiseth *the gain of deceits*, . . .
He shall dwell on high," etc.—Isa. 33 : 15.

"He [Ephraim] is a merchant,
The *balances of deceit* are in his hand:
He *loveth to deceive*."—Hosea 12 : 7.

"The Lord's voice crieth unto the city, . . .
Are there yet the treasures of wickedness in the house of the wicked,
And *the scant measure* that is abominable?
Shall I count them pure with *the wicked balances*,
And with the *bag of deceitful weights?*
For the rich men thereof are *full of violence*,
And the inhabitants thereof *have spoken lies*,
And their *tongue is deceitful in their mouth*."—Micah 6 : 9-12.

"And judgment is turned away backward,
And justice standeth afar off:
For *truth is fallen in the street*,
And *equity can not enter*."—Isa. 59 : 14.

"A *false balance* is abomination to the Lord."—Prov. 11 : 1.

"They *hunt every man his brother with a net*,
That they may do evil with both hands earnestly."—Micah 7 : 2.

"Ye have eaten up the vineyard:
The *spoil of the poor is in your houses*."—Isa. 3 : 14.

"He deviseth wicked devices
To *destroy the poor with lying words*."—Isa. 32 : 7.

"His *mouth is full of cursing and deceit and fraud:*
Under his tongue is mischief and iniquity.
He sitteth in the lurking places of the villages:
In the secret places doth he murder the innocent:
His eyes are *privily set against the poor.*
He lieth in wait secretly as a lion in his den:
He lieth in wait to catch the poor:
He *doth catch the poor, when he draweth him into his net*."—Psalm 10 : 7-9.

# APPENDIX H.

ACTION OF A TRADE ASSOCIATION TOWARDS PREVENTION OF FRAUDS.

"THE Sussex County Farmers' Milk Association is taking steps toward securing the residents of New York against adulterated milk. This association is composed exclusively of farmers, who complain that as the milk interests are now managed they are unable to realize any profit on account of the competition of unscrupulous dealers and the swindling of middle-men. Efforts are to be made this winter to secure the passage of a bill by the legislatures of New York and New Jersey which will provide for a system of milk inspection on the plan now in general operation in England. This project provides for a board of inspectors, made up of scientific men, whose duty it shall be to examine all milk which comes into New York and is received at the proper depots, and subject it to the lactometer test. If it be found to fall below a prescribed standard it is to be condemned and destroyed. The proposed bill gives these inspectors the power also to stop any vehicle carrying milk for sale and take from the cans samples for examination, and to condemn all the contents of the wagon if the milk is impure. Each milkman is to be required to obtain a license, and from the income of the fund thus raised the inspectors' salary is to be paid. The license of any milkman detected in an attempt to sell adulterated milk shall be forfeited, and he is to be prohibited from dealing in milk afterward. The system is said to work admirably in England."

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# APPENDIX I.

EQUITY JURISPRUDENCE UPON TRADE CUSTOMS.

A FEW of the definitions and judgments concerning the most common form of trade fraud—*suppressio veri*—as given in Story's Equity Jurisprudence, are quoted here to show the light that might be shed upon the average conscience by a very little acquaintance with the law. As a preliminary definition by no

means superfluous it may be well to recall what fraud is, as the law recognizes it : "*Any* cunning, deception, or artifice used to circumvent, cheat, or deceive another."—Story, § 186.

How would it answer to have that sentence, printed in large letters, hung in our stores ?

"The Roman law not only prohibited the assertion of any falsehood, but also the suppression of any facts touching the subject-matter of contract of which the other party was ignorant, and which he had an interest in knowing."—§ 211.

"As a general rule, each party is bound in every case to communicate to the other his knowledge of material facts, provided he knows the other to be ignorant of them, and they be not open and naked, or equally within the reach of his observation."—(Chancellor Kent) § 207.

*Suppressio veri*—the suppression of facts, etc., as above—voids contracts. "The concealment of a material circumstance is a fraud which vacates the contract."—§ 212.

". . . The agent ought not to have let in a suspicion, on the part of the purchaser, which he knew enhanced the price. He saw that the defendant had fallen into a delusion, in supposing the picture to be Sir Felix Agar's, and yet did not remove it. Not removing that delusion might be taken as equivalent to an express misrepresentation."—(Lord Ellenborough) § 212.

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## APPENDIX J.

### RUSKIN ON TRADE GUILDS.

Mr. Ruskin is at one with Mr. Carlyle in believing that the "organization of labor" must be effected by a real government over trade. With both Carlyle and Ruskin this means ultimately the exercise of a government by the state, which, whatever its theoretical value, the age is not in the mood to discuss; all its tendencies being in the direction of the minimizing of government. Mr. Ruskin has, however, clearly outworked a scheme of trade self-government, which is set forth in various lectures and essays; a restoration of trade guilds which is briefly and clearly stated in the following paragraph :

"I believe most firmly that, as the laws of national prosperity get familiar to us, we shall more and more cast our toil into social and communicative systems ; and that one of the first means of our doing so will be the re-establishing guilds of every important trade in a vital, not formal, condition;—that there will be a great council or government house for the members of every trade, built in whatever town of the kingdom occupies itself principally in such trade, with minor council-halls in other cities; and to each council-hall officers attached, whose first business may be to examine into the circumstances of every operative in that trade who chooses to report himself to them when out of work, and to set him to work, if he is indeed able and willing, at a fixed rate of wages, determined at regular periods in the council-meetings ; and whose next duty may be to bring reports before the council of all improvements made in the business, and means of its extension ; not allowing private patents of any kind, but making all improvements available to every member of the guild, only allotting, after successful trial of them, a certain reward to the inventors."—Political Economy of Art, p. 88.

It is the fashion just now to smile at Mr. Ruskin, especially in his economic utterances. His theories are always ideals, to be realized only in a distant future. It is the public's fault that they are read as schemes for practical reform. He evidently regards his own notions in the same light Plato did his visions of the state. They are standards to be striven for, not drafts for legislative reform. The hints offered in this lecture as to the functions of our trade associations are believed to be largely practicable, as steps that could now be taken. They would not realize Mr. Ruskin's guilds, but they would bridge the chasm between our present anarchic state of trade and the noble order he has sketched.

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## APPENDIX K.

DAVID WELLS ON THE ETHICAL KEY TO OUR FINANCIAL PROBLEM.

"I HEARD an able and eloquent woman once argue in a legislative committee in favor of female suffrage. She said that women might not always care to vote, because sometimes there would be

pending merely financial questions, as if all questions involved in that description did not carry with them tests of the moral power, the honesty, and the integrity of the people. There is no higher test for our fitness for republican government than the financial test. A great people, forty million of people, can carry on a war. Everybody knows that. Summon them to the defence of the nation against domestic or foreign foes, and, we have seen, it is no difficulty to call one or two millions of soldiers into the field; but when the care and excitement of battle have passed, and the people have returned home to take up the implements of agriculture and manufacture, to toil on for years to pay the debt, then comes the test, and insidious demagogues come forward to teach us sharp ways to get rid of the burden. There is tested the moral stamina of the people. You can fight; but can you resolutely determine that you will pay every dollar of your debt according to the terms of promise; that you will return to a sound currency, based upon the economic laws which have been acknowledged by wise men since there began to be an economic science? That is the great test for this people. [Cheers.] *We hear much said at times about the great and mysterious, the great and puzzling problems of financial science. These difficulties vanish very much when we apply to them some very simple tests. Tell the truth and fulfil your promises. Do that and you will solve half of the trouble.* [Cheers.] *What did your bond say? Read it and do it. What does your loan or legal-tender note promise to do, and what did you promise to do when you issued it? Do it; there is no mystery in it; no extraordinary difficulty in its performance.*"

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## APPENDIX L.

### RELATION OF POLITICAL AND GENERAL MORALS.

Of course the relation of political and general demoralization to each other may be reversed from that given above. Each particular sphere of society is but the expression of the general life. Trade corruption and political demoralization are in reality only the outcome of the average life of the people. So that it might be said that I have reversed the causal relation. It is true, indeed,

that neither trade nor politics will be thoroughly reformed except as the average conscience is more fully vitalized and educated. But this would postpone reform so far into the future as to leave the rogues quite easy. These special spheres have a reactionary influence upon society at large. Local disorders may be the drawing to a head of the constitutional humors. Wise therapeutics need not forbid local measures coincident with constitutional treatment. It may be impossible to restore general health without first subduing functional disorder.

The corruption setting in through trade and politics has doubtless originated in the poison in the common body, but none the less must these members first be attacked if we hope the national life to recover health. They constitute also objective points against which to rally the forces of conscience, palpable evils, instead of the vague disorder, "general demoralization." And these members restored to attainable purity, the general conscience will by the effort be reinvigorated to attack the deeper-seated ill.

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## APPENDIX M.

### RUSKIN ON CHEAP PURCHASES.

"For, to take one instance only, remember this is literally and simply what we do, whenever we buy, or try to buy, cheap goods, goods offered at a price which we know can not be remunerative for the labor involved in them;—whenever we buy such goods, remember we are stealing somebody's labor. Don't let us mince the matter. I say, in plain Saxon, stealing—taking from him the proper reward of his work, and putting it into our own pocket. You know well enough that the thing could not have been offered you at that price unless distress of some kind had forced the producer to part with it. You take advantage of this distress, and you force as much out of him as you can under the circumstances. The old barons of the Middle Ages used, in general, the thumbscrew to extort property. We moderns use in preference hunger or domestic affliction; but the fact of extortion remains precisely the same.

"Whether we force the man's property from him by pinching his

stomach or pinching his fingers makes some difference anatomically; morally, none whatsoever. We use a form of torture of some sort in order to make him give up his property. We use, indeed, the man's own anxieties instead of the rack, and his immediate peril of starvation instead of the pistol at his head; but otherwise we differ from Front de Bœuf or Dick Turpin merely in being less dextrous, more cowardly, and more cruel. More cruel, I say, because the fierce baron and the redoubtable highwayman are reported to have robbed, at least by preference, only the rich. We steal habitually from the poor. We buy our liveries and gild our prayer-books with pilfered pence out of children's and sick men's wages, and thus ingeniously dispose a given quantity of theft so that it may produce the largest possible measure of delicately-distributed suffering."—Two Paths, p. 185.

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## APPENDIX N.

### CLERICAL EDUCATION IN THE CASUISTRY OF SOCIAL SCIENCE—APPLIED ETHICS.

Casuistry once formed a large department of clerical education, and while we may well be thankful that our theologues are no longer bothered with the morbid conscience-cases born of a diseased religion, is it not remarkable that in no one of our theological seminaries is there any systematic endeavor to train men for the subtle and difficult problems which arise with the attempt to apply religious principles where they supremely need to-day to be applied, to the affairs of society?

Political economy, when viewed not merely as the "science of buying and selling," but as the science of ordering society into material, mental, and moral well-being, is full of questions demanding Christian interpretation.

The work of the Church in the future is to be pre-eminently a social work. The world's regeneration awaits the Christianizing of trade and politics, in whose unchristian war and waste of greed lies the secret of our present social disorder and misery. A collegiate course lays the foundations of the knowledge of this science in some way, but no seminary takes it up and studies it with ref-

erence to the influence the ministry might exert. Plenty of disquisitions about "ations" and "isms" of one kind and another, but few words of instruction to fit for the high office of conscience-guide. Where is the preparation for that anointing of the Spirit of the Lord which is to qualify men to preach the gospel of social salvation the Master announced in Capernaum?

As a consequence, with all their preaching, our pulpits rarely deal intelligently and thoroughly with such questions as the functions of capital ethically considered, the responsibility business imposes as to the wants it supplies, the relations of masters and employés, the obligation of employership to care for the bodies, minds, and souls of operatives, wages, etc., etc., through a host of subjects which are to-day agitating society and upon which the average conscience is little enlightened; problems whose ignorant adjustment is disorganizing society, whose wise settlement would introduce "the regeneration."

In the total lack of Christian treatment of these problems men are left to believe naturally that they are beyond the pale of Christian law, and to accept the theories that economists put forth, which strip trade of all responsibility to higher laws than "supply and demand" and other un-moral parts of the system known as *The Market!*

While correcting this note for the press the following extract from the *Nation* for July 13 comes to hand illustrating the same need in other spheres of social life: "On reading Prof. S.'s speech, one feels as if the study of applied ethics—or casuistry, as it is called—ought, in spite of its dangers, to be revived in all colleges, and especially in divinity schools."

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## APPENDIX O.

### THE CHURCH'S HOMAGE TO WEALTH.

THE following extract from one of the papers needs no comment:

"In an account of the Dedication of Vanderbilt University, Nashville, Tenn., it is stated that 'Dr. DEEMS, of the Church of the Strangers, New York, then delivered an eloquent address, and said that while speaking he had received the following despatch

from Mr. Vanderbilt: "Peace and good-will to all men." [Immense applause.] Then gazing a few moments on an elegant life-sized portrait of Commodore Vanderbilt, he said: "Cornelius, thy prayer is heard and thine alms are had in remembrance in sight of God." [Great applause.]"

From an admirable editorial in another paper, on "Fighting the Devil with Gush," I extract the following paragraph:

"Just now we are hearing of a good many of these spiritual natures who have been doing very bad, unspiritual things. We have no doubt that these men considered themselves very pious" —and it may fairly be added, seeing the attention paid to some of them, the church considered them very pious—"and got no end of comfort and enjoyment in soul exercises, but they cheated and stole nevertheless. Uncle Dan'l Drew is famous as an exhorter, and unquestionably takes delight in prayer; but so also he enjoys, as no man more, 'puts' and 'calls;' and if the boys do now and again get cleaned out, and he is a little dilatory on the matter of settlements, he has just as much interest as ever, on Sundays and at the prayer-meeting, in saving souls and in pouring out his own soul in prayer."

The following note was received after giving one of these lectures in another city:

"I am greatly pleased at learning from one of the morning papers that you have been preaching upon the subject of 'Morals in Trade.' It is very certain that the tone of morals, so far as business is concerned, needs improvement in this country, and, unfortunately, the churches can not always clear their skirts from the charge of honoring dishonesty, provided it is gilded.

"The longest funeral that I ever saw was that of a maker of quack medicines who was buried about twelve years ago. There were upwards of 140 carriages in it; and yet this man a few years before sent an agent to Harrisburg to offer money to the legislature if they would elect him to the Senate of the United States. The Sergeant-at-Arms was sent to Philadelphia to bring him to Harrisburg, but he got word of what was intended and fled to Nova Scotia, remaining there until the legislature adjourned. He was a prominent member of the Baptist Church, and the newspapers informed us that forty clergymen of that church were at his funeral. *He died rich.*"

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